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TRANSCRIPT OF RECORD

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Supreme Court of the United States

OCTOBER TERM, 1944

No. 296

PANHANDLE EASTERN PIPE LINE COMPANY,
ILLINOIS NATURAL GAS COMPANY AND MICHIGAN GAS TRANSMISSION CORPORATION, PETITIONERS,

vs.

FEDERAL POWER COMMISSION, CITY OF DETROIT, COUNTY OF WAYNE, MICHIGAN, ET AL.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT
OF APPEALS FOR THE EIGHTH CIRCUIT

PETITION FOR CERTIORARI FILED JULY 28, 1944.

CERTIORARI GRANTED JANUARY 3, 1945.

VOL. XIV.
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United States Circuit Court of Appeals
EIGHTH CIRCUIT.

No. 12,466

**PANHANDLE EASTERN PIPE LINE COMPANY, A
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MICHIGAN CONSOLIDATED GAS COMPANY,
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SERVICE COMMISSION, RESPONDENTS.**

**PETITION TO REVIEW AND SET ASIDE ORDER OF FEDERAL
POWER COMMISSION.**

FILED FEBRUARY 6, 1943.

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Index, Volume I.

Original Print

Petition of Panhandle Eastern Pipe Line Company, Illinois
Natural Gas Company, and Michigan Gas Transmission cor-
poration to review and set aside an order of the Federal Power
Commission.....
Nature of proceedings as to which review is sought.....
Facts and statute upon which venue is based.....
Points on which petitioners intend to rely.....
Exhibit A, Opinion No. 80 of Federal Power Commission.....

a	1
b	2
f	6
g	6
q	20

	Original Print	
Order of Federal Power Commission reducing rates, September 23, 1942	rr	38
Exhibit B, Order of Federal Power Commission extending time within which to file new schedules of rates and charges, October 12, 1942	33	43
Transcript of Testimony before Federal Power Commission	1	45
Testimony	19	46
Manfred K. Toeppen	19	46
C. H. M. Burnham	337	101
Rufus M. Smith	421	136
Glenn G. Bartle	433	137
R. J. Wallace	443	138
Louis Fern Sperry	452	139
Oscar William Morton	475	151
P. McDonald Biddison	491	159
O. W. Morton, resumed	622	200
C. H. Hinton	653	209
C. H. M. Burnham, resumed	753	238
Leith V. Watkins	856	265
Minutes of meeting of Board of Directors of Panhandle Eastern Pipe Line Company of September 3, 1930	896	285
David Friday	933	303
P. McDonald Biddison, resumed	982	331
Paul Brown Coffman	995	338
P. McDonald Biddison, resumed	1130	430
C. H. Hinton, resumed	1305	487
P. McDonald Biddison, resumed	1408	494
Leith V. Watkins, resumed	1470	509

Index, Volume II.

Louis Fern Sperry, recalled	1493	521
Ralph E. Davis	1496	522
J. D. Creveling	1588	546
George S. Young	1664	578
Henry C. Lehn	1678	584
Howard S. Riddle	1682	587
Francis S. Haberly	1718	601
Fred A. Spitznagle	1811	633
George S. Young, resumed	1860	649
Robert S. Drew	1911	667
Francis S. Haberly, resumed	1933	672
Fred A. Spitznagle, resumed	1952	682
Daniel C. Green	1971	691
Walter C. Beckjord	2016	700
P. McDonald Biddison, resumed	2119	712
Excerpt from Exhibit 62	2627	789
O. W. Morton, resumed	2864	892
Letter, O. W. Morton to G. J. Neuner, August 19, 1941	3142	906

Index, Volume III:

P. McDonald Biddison, resumed	3316	1049
Letter, J. D. Creveling to Leon M. Fuquay, July 23, 1941	3643	1053

	Original Print	
Letter, Leon M. Fuquay to J. D. Creveling, July 26, 1941.....	3645	1054
Telegram, Panhandle Eastern Pipe Line Company to Leon M. Fuquay, July 28, 1941.....	3646	1055
Exhibit 39-A, Statement relating to Reproduction Cost New of Plant, Property and Business of Panhandle Eastern Pipe Line Company, etc.....	3785	1075
Rufus M. Smith, resumed.....	4113	1144
C. H. Hinton, resumed.....	4165	1174
Rulus M. Smith, resumed.....	4187	1179
Glenn G. Bartle, resumed.....	4352	1271
Louis F. Sperry, resumed.....	4560	1307
C. H. Hinton, resumed.....	4775	1421

Index, Volume IV.

C. H. M. Burnham, resumed.....	5939	1929
--------------------------------	------	------

Index, Volume V.

Leith V. Watkins, resumed.....	6163	2037
Paul B. Coffman, resumed.....	6534	2211

Index, Volume VI.

Leith V. Watkins, resumed.....	7050	2514
Letter, Ralph M. Shaw to Frank P. Parrish, October 2, 1931.....	7385	2654
Paul B. Coffman, resumed.....	7451	2663
George S. Young, resumed.....	7933	2806
Henry C. Lehn, resumed.....	8037	2857
F. S. Halperly, resumed.....	8070	2874
Fred A. Spitznagle, resumed.....	8172	2921
Limitation Order L-31, "To Curtail Consumption of Natural Gas".....	8272	2950
Exhibit A, Areas subject to prohibitions contained in paragraph (e) of Limitation.....	8280	2956
Robert S. Drew, resumed.....	8366	2998

Index, Volume VII.

Fred A. Spitznagle, resumed.....	8461	3050
George S. Young, resumed.....	8525	3062
Order of Securities and Exchange Commission in the Matter of Columbia Gas & Electric Corporation, et al.....	8555	3078
Daniel C. Green, resumed.....	8558	3080
Robert S. Drew, resumed.....	8706	3169
Fred A. Spitznagle, resumed.....	8721	3185
Robert S. Drew, resumed.....	8741	3188
Leith V. Watkins, resumed.....	8887	3208
Order of Federal Power Commission denying application for Extension of Time for Compliance with the provisions of Gas Plant Accounts Instruction 2-D of Uniform System of Accounts and Commission's Order No. 73.....	9020	3235
C. H. Lewis.....	9023	3236
Leith V. Watkins, resumed.....	9136	3270

	Original	Print
William G. Maguire	9247	3300
Leith V. Watkins, resumed	9329	3351
David Friday, resumed	9349	3353
O. W. Morton, resumed	9364	3361
Charles W. Smith	9476	3411
Edward L. Dunn	9570	3433
Charles H. Hinton, resumed	9669	3478
C. H. M. Burnham, resumed	9784	3533

Index, Volume VIII.

Leith V. Watkins, resumed	9838	3557
Report, P. McDonald Biddison, Consulting Engineer, to J. D. Creveling, President, Panhandle Eastern Pipe Line Company, November 24, 1941	9890	3588
C. H. M. Burnham, resumed	9898	3592
Leonard Spacek	9928	3608
Letter, P. McDonald Biddison to Panhandle Eastern Pipe Line Company, April 8, 1942	9942	3616
P. McDonald Biddison, resumed	9977	3631
Paul B. Coffman, resumed	10076	3676
P. McDonald Biddison, resumed	10399	3853
Leith V. Watkins, resumed	10452	3882
P. McDonald Biddison, resumed	10534	3919
J. D. Creveling, resumed	10559	3933
Samuel Joseph	10659	3976
Statement relating to Production from Hugoton Field	10679	3987
Letter, O. W. Morton to Federal Power Commission, April 9, 1942	10698	3989
Letter, O. W. Morton to Federal Power Commission, April 11, 1942	10699	3990
J. G. Shattuck	10701	3991
Exhibits:		
1. Statement of operating Results of Panhandle Eastern Pipe Line Company and Michigan Gas Transmission Company, 1938-1940	10775	4012
Operating Results	10775	4012
Cost, and Cost Less Reserves, of Plant and Operating Results as of December 31, 1938	10777	4013s
Cost, and Cost Less Reserves, of Plant and Operating Results as of December 31, 1939	10778	4014
Cost, and Cost Less Reserves, of Plant and Operating Results as of December 31, 1940	10779	4015
Working Capital Estimate, December 31, 1938-39-40	10780	4016
Working Capital Estimate Approximate Payroll Basis, December 31, 1940	10782	4017
2. Determination of possible Revenue Reduction of Pan- handle Eastern Pipe Line Company and Michigan Gas Transmission Company	10783	4018
3. Excerpts from Registration Statement of Panhandle Eastern Pipe Line Company filed with the Securities & Exchange Commission, February 12, 1937, with respect to Gas Reserves	10785	4019

IV
TC

4, Excerpt from Registration Statement of Panhandle Eastern Pipe Line Company filed with the Securities & Exchange Commission, November 13, 1940, with respect to Gas Reserves.....	10786	4021
5, Excerpts from Registration Statement of Panhandle Eastern Pipe Line Company filed with the Securities & Exchange Commission, November 13, 1940, with respect to Design, Construction and Maintenance of Property.....	10789	4025
6, Statement of Operating Expenses and Taxes at 100% Load Factor Operation.....	10791	4029
7, Statement as to necessary Price per M. C. F. at 100% Load Factor.....	10793	4030
8, Statement of estimated Effect of 100% Load Factor on earning Power of System.....	10795	4030
9, Statement of Factor affecting the Nature and Magnitude of reported Net Incomes.....	10796	4031
10, Statement showing Effect of Variation in accounting Practices on Reported Incomes of an Enterprise.....	10799	4034
11, Chart showing Relation of Yield of United States Treasury Bonds and Notes.....	10800	4035
12, Statement showing United States Treasury Bond Yields.....	10801	4037
13, Chart showing History of Yields of United States Bonds, 1920-1939.....	10806	4045
14, Average Yield of United States Treasury Bond.....	10807	4047
14-A, Securities & Exchange Commission Releases Nos. 2778 and 2834 — Findings and Opinion of the Commission in the Matters of Panhandle Eastern Pipe Line Company, et al.....	10808	4047

Index, Volume IX.

Order of Securities & Exchange Commission Denying Applications in Part and granting Applications in Part.....	10842	4087
Supplemental Order of Securities & Exchange Commission amending Findings and Opinion.....	10844	4089
17, Miscellaneous Data concerning Property and Operations of Panhandle Eastern Pipe Line Company.....	10848	4090
Schedule 1, Panhandle Eastern Pipe Line Company System Compressor Stations.....	10848	4090
Schedule 2, List of Communities receiving Service directly or indirectly from Panhandle Company including Population and Number of Customers as of June 30, 1941.....	10849	4091
Schedule 3, List of Industrial Customers receiving Service direct from Panhandle Company System, June 30, 1941.....	10853	4099
Schedule 11, Panhandle Eastern System Summary — Miles of Pipe by Sizes, June 30, 1941.....	10926	4101
30, Testimony of Rufus M. Smith.....	10958	4103
Schedule 2, Estimated Original Gas Content in the Texas Panhandle Field under Acreage constituting Reserves of Panhandle Eastern Pipe Line Company as of July 1, 1941.....	10986	4125

Original Print

Schedule 3, Estimated Remaining Gas Content in the Texas Panhandle Field under Acreage constituting Reserves of Panhandle Eastern Pipe Line Company as of July 1, 1941.....	10987	4125
Schedule 5, Comparison of Open Flow Potentials in Texas Panhandle Gas Field	10990	4129
Schedule 6, Gas Acreage owned and under Gas Purchase Contracts held by Panhandle Eastern Pipe Line Company as of June 30, 1941	10991	4131
Schedule 7, Hugoton Production to Argus Natural Gas Company, Inc. by Panhandle Eastern Pipe Line Company, et al.	10992	4133
Schedule 8, Texas Production to Panhandle Eastern Pipe Line Company	10993	4135
Schedule 9, Hugoton Production to Panhandle Eastern Pipe Line Company	10997	4143
Schedule 10, Hugoton Production to Panhandle Eastern Pipe Line Company	11000	4149
Schedule 11, Analysis of Cumulative Production to Main Line to and including Fiscal Month of June 1941	11003	4155
Schedule 12, Comparative Statement of Production and Purchases from each District for the two Years ended June 22, 1940 and June 22, 1941	11004	4157
36, Testimony of Glenn G. Bartle	11010	4159
Schedule 3, Estimated Original Gas Content in the Hugoton Field, (Kansas, Oklahoma and North Texas Panhandle), under Acreage constituting Reserves of Panhandle Eastern Pipe Line Company as of July 1, 1941	11038	4176
Schedule 3, Estimated unmetered Gas from Panhandle Eastern Pipe Line Company Wells in the Hugoton Field Kansas, connected to Argus Natural Gas Company, Inc. as of July 1, 1941	11041	4181
37, Testimony and Exhibits, Market Value of Leases of Panhandle Eastern Pipe Line Co.	11047	4187
R. J. Wallace	11047	4187
Summary of Market Value of Leases	11064	4199
38, Basic Statistics used in calculating Interest, ad valorem Taxes and operating Expense attributable to unused Capacity	12159	4203
39, Reproduction Cost New of Plant, Property and Business of Panhandle Eastern Pipe Line Company and subsidiary Companies as of June 30, 1941	12162	4206
Letter P. McDonald Biddison, Consulting Engineer, to Panhandle Eastern Pipe Line Company, August 29, 1941	12163	4206
Statement relating to Reproduction Cost—New—June 30, 1941	12164	4207
Summary	12165	4207
39-A, Reproduction Cost New of Plant, Property and Business of Panhandle Eastern Pipe Line Company and subsidiary Companies as of June 30, 1941	13130	4208
Letter P. McDonald Biddison, Consulting Engineer, to Panhandle Eastern Pipe Line Company, August 29, 1941	13130	4208

Statement relating to Reproduction Cost New—June 30, 1941.....	13131	4209
Summary.....	13133	4209
40, Table showing estimated Main Line Sales, years 1941-1946, inclusive.....	13149	4211
41, Graph showing Sales and Gas Plant by Years, Panhandle Eastern Pipe Line Company and Subsidiary Companies.....	13150	4213
42, Testimony of C. H. Hinton relating to Future Capital Expenditures and Operating Expenses in Production and Gathering System West and South of Liberal, Kansas.....	13151	4215
43, Schedules presented in connection with the written Testimony of C. H. Hinton.....	13193	4244
Schedule 1, Additional Capital Expenditures required to produce and gather Basic Load, or Present Requirements.....	13194	4244
Schedule 2, Additional Capital Expenditures required to produce and gather Anticipated Increased Load.....	13195	4244
Schedule 3, Estimate of Operation and Maintenance Costs—west of Liberal Panhandle Field—Basic Load.....	13196	4245
Schedule 4, Estimate of Operation and Maintenance Costs—west of Liberal Panhandle Field—Estimated Future Load.....	13199	4251
Schedule 5, Probable Production from Panhandle Eastern's own Wells and Wells under Gas Contracts (Panhandle Field) during the Period July 1, 1940 to December 31, 1950.....	13202	4257
47, Panhandle Eastern Pipe Line Company and Subsidiary Companies, future Capital Requirements, Gas Transmission Facilities, Liberal Station and Eastward.....	13206	4257
48, Statement showing Balance Sheets per Books Panhandle Eastern Pipe Line Company and Subsidiary Companies, as at each December 31, 1930 through 1940 and as at June 30, 1941.....	13207	4259
49, Income Statement per Books—Period from April 1, 1932 to December 31, 1941.....	13210	4265
50, Statement showing Earned Surplus per Books, Period from Commencement of Operations to June 30, 1941.....	13212	4269
51, Statement showing Capital Surplus per Books, Period from September 1, 1930 to June 30, 1941.....	13214	4273
52, Statement showing Investment in Gas Plant as at each December 31, 1930 through 1940 and as at June 30, 1941.....	13215	4275
53, Statement of Dividends paid on Class A and Class B Preferred Stocks from beginning to September 1, 1941.....	13217	4279
54, Statement of Dividends paid on Common Stock from beginning to September 1, 1941.....	13219	4280
55, Statement showing Comparison of Sales and Revenue, Principal Industrial Customers, years 1939, 1940 and 1941.....	13220	4281
55-A, Statement showing Comparison of Sales and Revenue, Principal Industrial Customers, years 1939, 1940, and 1941.....	13221	4283
56, Statement of Gas Produced, Period from April 1, 1932 to June 30, 1941.....	13222	4284
57, Statement of Gas Purchased, Period from April 1, 1932 to June 30, 1941.....	13223	4285

	Original	Print
58. Statement of Gas Revenue, Period from April 1, 1932, to June 30, 1941 and Schedule showing Detail of Sales to various Types of Customers, 1939 and 1940.....	13224	4287
Schedule 1, Statement of Gas Revenue, Period from April 1, 1932 to June 30, 1941.....	13224	4287
Schedule 2, Detail of Sales to Gas Utilities, years 1939 and 1940.....	13225	4289
Schedule 3, Detail of Sales to Industrial Customers, years 1939 and 1940.....	13227	4293
59. Statement of Gas Revenue by States, Period from April 1, 1932 to December 31, 1941.....	13229	4297
60. Statement showing Sales Agreements with other Gas Companies as at June 30, 1941.....	13230	4299
61. Study of Current and Future Trends in Commodity Prices and Wages, by David Friday.....	13238	4310
Graph showing Wholesale Prices from 1800 to 1940.....	13239	4311
Index-Numbers of Wholesale Prices of Commodities by Groups.....	13241	4313
Commodity Price Indexes of Ten Countries.....	13247	4318
Statement relating to Tax Collections in the United States, from 1913 to 1942.....	13258	4328
Index Numbers of Wholesale Prices of all Commodities by Months, from 1890 to 1940.....	13263	4333
Statement relating to Wholesale Prices for Week Ended September 20, 1941.....	13264	4335
Graph relating to Average Weekly Earnings in Manufacturing Industries of New York State from 1914 to 1941.....	13266	4339
Graph relating to Average Hourly Earnings and Average Actual Hours per Week per Worker in twenty-five Manufacturing Industries from 1914 to 1941.....	13267	4341
Graph relating to Average Cost of Living from 1935 to 1939.....	13268	4343
62. Deduction from Cost of Reproduction New for Depreciation and Present Value of Plant, Property and Business as of June 30, 1941.....	13270	4345
Letter from P. McDonald Biddison, Consulting Engineer, to Portland Eastern Pipe Line Company, September 30, 1941.....	13271	4345
General Summary.....	13272	4347
63. Investors' Appraisal of the Risk of Capital in the Natural Gas Industry as compared with other Divisions of the Utility Industry, Summary of Analyses, prepared by Paul B. Coffman, Vice-President of Standard and Poors Corporation.....	13321	4349
Table of Contents.....	13322	4349
Statement of Experience and Qualifications of Paul B. Coffman.....	13327	4354
Investors' Appraisal of Capital Risks in Various Divisions of the Utility Industry.....	13348	4371
Statement A, Investors' Appraisal of Risks of Capital for the years 1937, 1938, 1939 and 1940.....	13351	4373

	Original Print	
Statement A-1, Investors' Appraisal of Risks of Capital for the Interim Period of 1941, January-August, Both Inclusive	13352	4375
Statement B, Investors' Appraisal of Risks of Capital for the years 1937, 1938, 1939 and 1940	13353	4377
Statement B-1, Investors' Appraisal of Risks of Capital for the Interim Period of 1941, January-August, Both Inclusive	13354	4379
Statement C, Investors' Appraisal of Risks of Capital for the years 1937, 1938, 1939 and 1940	13355	4381
Statement C-1, Investors' Appraisal of Risks of Capital for the Interim Period of 1941, January-August, Both Inclusive	13356	4383
Statement D, Investors' Appraisal of Risks of Capital for the years 1937, 1938, 1939 and 1940	13357	4385
Statement D-1, Investors' Appraisal of Risks of Capital for the Interim Period of 1941 January-August, Both Inclusive	13358	4387
Statement E, Investors' Appraisal of Risks of Capital for the years 1937, 1938, 1939 and 1940	13359	4389
Statement E-1, Investors' Appraisal of Risks of Capital for the Interim Period of 1941, January-August, Both Inclusive	13360	4391
Statement F, General Information Covering each Company as to the Nature and Size of the Business and the Territory served	13361	4393
64. Statistics supporting Data, Exhibit 63, Appendixes B, and C	13379	4414
Appendix A, Complete List of Companies studied and Reasons for eliminating those not used to determine Investors' Appraisal of Risks of Capital	13380	4414
Appendix B, Securities of forty-three Natural Gas Companies considered Representative of the Industry, etc.	13387	4426

Index, Volume X.

Appendix C, Working Papers showing the Computation of Investors' Appraisal of the Risks of Capital	13398	4446
Water Companies	13399	4447
Electric Operating Utility Companies	13420	4461
Manufactured and Mixed Gas Companies	13465	4501
Natural Gas Companies	13495	4521
65. Study relative to Rate of Return on Panhandle Eastern Pipe Line Company prepared by Paul B. Coffman, Vice President, Standard and Poors Corporation	13533	4547
Table of Contents	13534	4547
Chart No. 1, Main Transmission System of Panhandle Eastern Pipe Line Co. and Subsidiary	13542	4559
Chart No. 2, Growth of Natural Gas Industry in United States of America from 1906 to 1940	13548	4567
Chart No. 3, Consumption of Natural Gas in United States of America from 1919 to 1940	13550	4571
Chart No. 4, Revenue from Natural Gas Consumed in United States of America from 1919 to 1940	13552	4573

Original Print

Chart No. 5, Average Revenue per M. C. F. from 1929 to 1940	13554	4575
Chart No. 6, Panhandle Sales by States, vs. Industry Consumption of Natural Gas from 1934 to 1940	13556	4577
Chart No. 7, Trends of Gross Revenue from 1934 to 1940, Panhandle vs. other Pipe Line Companies and Industry	13558	4579
Chart No. 8, Operating Ratio of Panhandle Compared with other Pipe Line Companies from 1934 to 1940	13560	4581
Chart No. 9, Trend of Revenue and Expenses of Panhandle Eastern Pipe Line Company from 1934 to 1940	13562	4583
Chart No. 10, Percent Earned on Invested Capital of Panhandle Based upon Capital Structure	13564	4585
Chart No. 11, Percent Earned on Invested Capital of Panhandle Based upon Net Property, Intangibles and Working Capital	13566	4587
Chart No. 12, Return to Common Stockholders of Panhandle Eastern Pipe Line Company from 1934 to 1940	13568	4589
Chart No. 13, New Tax Bill will reduce Income sharply Computations based on Operations — Twelve Months ended June 30, 1941	13570	4591
Chart No. 14, Percent Earned on Invested Capital of Panhandle Eastern Pipe Line Company — as of June 30, 1941	13572	4593
Chart No. 15, Percent Earned on Invested Capital of Panhandle Eastern Pipe Line Company — as of June 30, 1941	13574	4595
Chart No. 16, Historical Costs of Debt Capital of Panhandle Eastern Pipe Line Company — from 1930 to 1941	13576	4599
Chart No. 17, Effect of 1941 Refinancing of Panhandle Eastern Pipe Line Company	13578	4603
Chart No. 18, Historical Costs of Preferred Stock Capital of Panhandle Eastern Pipe Line Company from 1937 to 1941	13580	4605
Chart No. 19, Earnings — Price Ratios of Natural Gas Pipe Line Common Stocks from 1937 to 1940	13582	4607
Chart No. 20, Current Earnings — Price Ratios of Natural Gas Pipe Line Common Stocks	13584	4609
Chart No. 21, Cost of Financing Northern Natural Gas Company Common Stock — Offered to Public on September 10, 1941	13586	4613
Chart No. 22, Estimated Current Cost of Financing Common Stock of Panhandle Eastern Pipe Line Company	13588	4615
Chart No. 23, Continuing Growth of Panhandle System Indicates Future Needs for New Capital	13590	4617
Chart No. 24, Panhandle Eastern Pipe Line Company Invested Capital as of June 30, 1941	13592	4621
Chart No. 25, Preferred Stock Unusual in Natural Gas Pipe Line Companies	13594	4623
Chart No. 26, Earnings Necessary to Maintain Credit Position of Panhandle Eastern Pipe Line Company	13596	4625
Chart No. 27, Earnings Necessary to Maintain Credit Position of Panhandle Eastern Pipe Line Company	13598	4627
Chart No. 28, Overall Cost of Capital to Panhandle Eastern Based on Ideal Capital Structure	13600	4629

Original Print

Chart No. 29, Dollars needed Annually by Panhandle for Operations and Maintenance.....	13602	4633
Chart No. 30, Dollars needed Annually by Panhandle for Taxes.....	13604	4637
Chart No. 31, Dollars needed Annually by Panhandle to return Capital to Investors when Gas Reserves are Exhausted.....	13606	4639
Chart No. 32, Dollars needed Annually by Panhandle for current Capital Requirements — Bonds.....	13608	4641
Chart No. 33, Dollars needed Annually by Panhandle for current Capital Requirements — Preferred Stock.....	13610	4643
Chart No. 34, Dollars needed Annually by Panhandle for current Capital Requirements — Common Stock.....	13612	4645
Chart No. 35, Dollars needed Annually by Panhandle for total current Capital Requirements — Total Invested Capital.....	13614	4647
Chart No. 36, Dollars needed Annually by Panhandle to provide Service to Customers, a Fair Return to Investors and restore Invested Capital when Gas Reserves are Exhausted.....	13616	4649
Chart No. 37, Dollars needed Annually by Panhandle to Provide Service to Customers, a Fair Return to Investors and restore Invested Capital when Gas Reserves are Exhausted.....	13618	4651
Table for Chart No. 2, Growth of Natural Gas in the United States of America for the years 1906 to 1940, Inclusive.....	13619	4653
Table for Chart No. 3, Consumption of Natural Gas in the United States of America for the years 1919 to 1940, Inclusive.....	13620	4655
Table for Chart No. 4, Revenue from Natural Gas Consumed in the United States of America for the years 1919 to 1940, Inclusive.....	13621	4657
Table for Chart No. 5, Average Revenue per M. C. F. from Natural Gas Consumed in United States of America at Points of Consumption.....	13622	4659
Table for Chart No. 6, Natural Gas Sales by States for the years 1934 to 1940, Inclusive.....	13623	4661
Table for Chart No. 7, Trend of Gross Revenue, Panhandle Eastern Pipe Line Company vs. Other Pipe Line Companies and the Natural Gas Industry, 1934 to 1940 Both Inclusive.....	13624	4663
Table for Chart No. 8, Operating Ratio of Panhandle Eastern Pipe Line Company compared with other Pipe Line Companies exclusive of Taxes, 1934 to 1940.....	13625	4665
Table for Chart No. 9, Panhandle Eastern Pipe Line Company, Trend of Revenue and Expenses.....	13627	4669
Table for Chart No. 10, Percent Earned on Invested Capital, based upon Capital Structure.....	13628	4671
Table for Chart No. 11, Percent Earned on Invested Capital, based upon Net Property, Intangibles and Working Capital.....	13629	4673
Table for Chart No. 12, Return to Common Stockholders 1934 to 1940 Both Inclusive.....	13630	4675

Table for Chart No. 13, Consolidated Statement of Profit and Loss for the twelve months ended June 30, 1941	13631	4677
Table for Chart No. 14, Percent Earned on Invested Capital — twelve months ended June 30, 1941	13632	4679.
Table for Chart No. 15, Percent Earned on Invested Capital in the twelve months ended June 30, 1941	13633	4681
Table for Chart No. 16, Computation of Weighted Average Cost Ratio of all Bond Issues 1930 — June 30, 1941	13634	4683
Table for Chart No. 17, Projection of Average Interest Cost, Debt Retirement and Amounts to be outstanding of Debt issued in the 1941 Refinancing	13639	4693
Table for Chart No. 18, Preferred Stock	13640	4695
Table for Chart No. 19, Earnings — Price Ratios on Natural Gas Pipe Line Common Stocks from 1937 to 1940	13641	4697
Table for Chart No. 20, Current Earnings — Price Ratios on Natural Gas Pipe Line Common Stocks	13642	4699
Table for Chart No. 21, Data regarding Public Offering of 355,250 Shares Northern Natural Gas Company Common Stock	13643	4701
Table for Chart No. 23, Statistics of Growth from 1936 to 1940	13644	4703
Table for Chart No. 25, Ratio of Preferred Stock to total Capitalization in Natural Gas Pipe Line Companies as of December 31, 1940	13645	4706
Table for Chart No. 26, Earnings Necessary to Maintain Credit Position based on Invested Capital as of June 30, 1941	13646	4707
Table for Chart No. 27, Earnings Necessary to Maintain Credit Position, etc.	13647	4709
Table for Charts Nos. 29 to 36, Inclusive, Dollars needed Annually to provide Service to Customers, a Fair Return to Investors and Return of Invested Capital when Reserves are Exhausted	13648	4711
Table for Chart No. 37, Dollars needed Annually to provide Service to Customers, a Fair Return to Investors and Return of Invested Capital when Reserves are Exhausted	13649	4713
69, Statement showing Amount of Depreciation on Book Cost of Property as of June 30, 1941	13709	4715
70, Reproduction Cost: New of Plant, Property and Business as of June 30, 1941 (Determined from Valuation of September 30, 1938 by addition of Net Property Additions, plus Items of Working Capital, Value of Gas Purchase Contracts and Cost of Business Development from Valuation of June 30, 1941)	13711	4719
71, Valuation of Property, Plant and Equipment, September 30, 1938	13712	4719
Letter from P. McDonald Biddison, Consulting Engineer, to Panhandle Eastern Pipe Line Company, October 14, 1938	13713	4719

	Original Print	
Statement relating to Appraisal of Property of Panhandle Eastern Pipe Line Company as of September 30, 1938.....	13719	4721
72, Statement of Net Additions to Gas Plant per Books from October 1, 1938 to June 30, 1941.....	14178	4723
74, Working Capital.....	14198	4724
Table I, Total Additional Necessary Materials and Supplies by Departments.....	14198	4724
Table II, Additional Necessary Materials and Supplies by Departments, Classified to show the Aggregate Supplies.....	14199	4724
Table III, Summary of Minimum Reasonable Amounts of Working Capital Currently Needed.....	14200	4725
Table IV, Total Cash, Prepayments, and Materials and Supplies Actually Maintained by the Company at Certain Dates in the Past.....	14201	4725
75, Natural Gas Supply, Value of Gas Reserves and Wells, February 1, 1937.....	14202	4726
Letter Ralph E. Davis, Inc., Engineers, to Panhandle Eastern Pipe Line Company and others, February 10, 1937.....	14203	4726
Table No. 2, Valuation of Producing and Proven Leases in Producing Area of Amarillo Field.....	14227	4744
Table No. 3, Valuation of Producing and Proven Leases in Producing Area of Hugoton Field.....	14228	4745
Table No. 8, Classification of Acreage Under Lease, February 1, 1937.....	14233	4745
76, Panhandle Eastern Pipe Line Company Natural Gas Supply.....	14243	4746
Letter, Ralph E. Davis, Inc., Engineers, to Board of Directors of Panhandle Eastern Pipe Line Company, November 12, 1940.....	14244	4746
Summary of Acreage in Amarillo and Hugoton Fields.....	14248	4751
77, Description of Physical Property of Michigan Gas Transmission Corporation.....	14251	4753
Testimony of George S. Young.....	14252	4753
Schedule 1, Compressor Stations.....	14272	4770
Schedule 2, List of Communities receiving Service from Public Utilities to whom Michigan Gas Transmission Corporation sells Gas Purchased from Panhandle Eastern Pipe Line Company, Population and Number of Customers as of June 30, 1941.....	14274	4771
Schedule 3, List of Industrial Consumers receiving Service on an Interruptible Basis indirectly from Michigan Gas Transmission Corporation System, June 30, 1941.....	14277	4779
Schedule 8, Michigan Gas Transmission Corporation Summary of Miles of Pipe by Sizes, June 30, 1941.....	14295	4781
79, Comparison of Daily provided Capacity to Deliver Firm Gas with Maximum Daily Delivery of Firm Gas from System of Michigan Gas Transmission Corporation.....	14311	4783
79-A, Comparison of Daily provided Capacity to Deliver Firm Gas with Maximum Daily Delivery of Firm Gas and total delivery of Gas from the Pipe Lines owned or operated by Michigan Gas Transmission Corporation for the Winter Period of 1941-1942 to February 27, 1942.....	14312	4785

Original Print

79-B, Total Delivery of Gas from Pipe Lines owned and operated by Michigan Gas Transmission Corporation on Days on which the Delivery of Firm Gas from System was the Maximum.....	14313	4787
80, Report of Inspection of Equipment in the Compressor Stations of the Michigan Gas Transmission Corporation by H. C. Lehn.....	14314	4789
81, Depreciation Study, Michigan Gas Transmission Corporation by H. S. Riddle.....	14321	4794
Letter, H. S. Riddle, Gas Engineering Department, to G. S. Young, Vice President, of Michigan Gas Transmission Corporation, November 10, 1941.....	14322	4794
Summary of Inspection Data.....	14323	4795
82, Accrued Depreciation on Compressor Station Structure, measuring and regulating Station Structures and Equipment and other Transmission Structures and general Equipment as of June 30, 1941 by Francis S. Haberly.....	14369	4796
83, Reproduction Cost new of Plant and Property of Michigan Gas Transmission Corporation as of June 30, 1941 by Francis S. Haberly.....	14375	4801
Letter Francis S. Haberly, Engineer, to G. S. Young, Vice President, Michigan Gas Transmission Corporation, October 27, 1941.....	14377	4801
Table of Contents.....	14378	4802
Statement of Francis S. Haberly.....	14379	4802
Summary.....	14389	4810
Reconciliation of Original Cost and of Reproduction Cost to reflect Changes due to Reclassification.....	14390	4811
Compressor Station Structures and Improvements.....	14391	4813
All Stations.....	14391	4813
Montezuma Compressor Station.....	14392	4813
Zionsville Compressor Station.....	14398	4818
Edgerton Compressor Station.....	14402	4821
Other Transmission System Structures and Improvements.....	14405	4824
All Locations.....	14405	4824
Montezuma Compressor Station.....	14406	4824
Zionsville Compressor Station.....	14407	4825
Edgerton Compressor Station.....	14408	4826
Mains.....	14409	4826
Compressor Station Equipment.....	14416	4831
All Stations.....	14416	4831
Montezuma Compressor Station.....	14417	4831
Zionsville Compressor Station.....	14427	4839
Edgerton Compressor Station.....	14433	4844
Measuring and Regulating Station Equipment.....	14437	4847
General Equipment.....	14438	4848
Office Furniture and Fixtures.....	14439	4848
Transportation Equipment.....	14440	4849
Stores Equipment.....	14441	4849
Tools and Work Equipment.....	14442	4849
84, Reproduction Cost new less Depreciation of Michigan Gas Transmission Corporation as of June 30, 1941 by Francis S. Haberly.....	14443	4850

	Original Print	
Summary	14444	4850
Compressor Station Structures and Improvements	14445	4851
Measuring and Regulating Station Structures	14446	4852
Other Transmission System Structures	14447	4852

Index, Volume XI.

Mains	14448	4853
Compressor Station Equipment	14449	4853
Measuring and Regulating Station Equipment	14450	4854
General Equipment	14451	4855
87, Materials and Supplies Restatement of Cost of Major Items as of June 30, 1941, Michigan Gas Transmission Corporation by Francis S. Haberly	14466	4856
Materials and Supplies	14467	4856
88, Michigan Gas Transmission Corporation — Comparative Balance Sheets, per Books as at December 31, 1936 to 1940, Inclusive, and June 30, 1941	14475	4863
89, Michigan Gas Transmission Corporation Statement showing earned Surplus per Books for the Ten Months ended December 31, 1936, years 1937 to 1940, inclusive, year and six months ended June 30, 1941	14477	4867
90, Michigan Gas Transmission Corporation — Statement showing Capital Surplus, per books, for the Ten Months ended December 31, 1936, years 1937 to 1940, inclusive, year and six months ended June 30, 1941	14478	4869
91, Michigan Gas Transmission Corporation — Preliminary Report on Original Cost Studies by Central Service Corporation	14479	4871
Statement A, Outline of Origin and Development	14480	4878
Statement A-1, Common Stock issued and Outstanding at January 1, 1940 and June 30, 1941	14492	4881
Statement B, Statement showing Acquisition by Reporting Company or Predecessors of Gas Operating Unit or System, etc.	14493	4883
Statement D, Statement relating to Gas Plant as of January 1, 1940, etc.	14494	4885
Statement E, Statement showing Summary of Adjustment relating to Gas Plant, etc.	14495	4886
Statement F, Statement relating to Gas Plant as of January 1, 1940, etc.	14496	4887
Statement G, Statement relating to Balance Sheet as of January 1, 1940, etc.	14498	4891
Statement H, Statement relating to Suggested Plan for Depreciation, etc.	14499	4893
Statement I, Statistical Information Relative to Gas Plant at June 30, 1941	14500	4893
92, Michigan Gas Transmission Corporation Statement showing Original Cost Depreciated to present Conditions as at June 30, 1941 and observed Depreciation as at June 30, 1941	14507	4903

93, Michigan Gas Transmission Corporation — Statement of Contributions made to Customers for Business Development for the years 1936, 1937 and five months ended May 31, 1938	14508	4905
94, Michigan Gas Transmission Corporation Statement showing working Capital as of June 30, 1941	14510	4908
95, Michigan Gas Transmission Corporation — Estimated Cost of Completing work in Progress at June 30, 1941 and Estimated Gross Income to be derived from the Completed Projects	14517	4919
97, Michigan Gas Transmission Corporation — Variation in Purchase Power of Dollars Related to Gas Plant.	14519	4921
Graph relating to Variation in Purchasing Power of the Dollar spent for Main Compressor Units	14522	4923
Graph relating to Variation in Purchasing Power of the Dollar spent for Steel Pipe	14523	4925
Graph relating to Variation in Purchasing Power of the Dollar spent for Station Structure Materials	14524	4927
Graph relating to Variation in Purchasing Power of the Dollar spent for Station Structure Labor	14525	4929
Graph relating to Variation in Purchasing Power of the Dollar spent for Station Equipment Labor	14526	4931
Graph relating to Variation in Purchasing Power of the Dollar spent for Mains Installations	14527	4933
Statement relating to Variation in Purchasing Power of the Dollar as related to "Gas Plant"	14528	4935
99, Michigan Gas Transmission Corporation — Statement of Income and Expense per books for years ended December 31, 1936 to 1940, inclusive, twelve Months ended June 30, 1941 and six Months ended June 30, 1941 and December 31, 1940	14530	4937
100, Michigan Gas Transmission Corporation — Statement of Income and Expense per books and after Adjustments and redistributions necessary to reflect the 2-6 months Period per books on an annual basis, for six months ended December 31, 1940 and June 30, 1941 and for twelve months ended June 30, 1941	14533	4942
101, Michigan Gas Transmission Corporation — Comparative Statement of Operating Revenues, for years ended December 31, 1936 to 1940, inclusive, twelve months ended June 30, 1941 and six months ended June 30, 1941 and December 31, 1940	14537	4951
102, Michigan Gas Transmission Corporation — Operation and Maintenance Expense per books for the twelve months ended June 30, 1941	14538	4953
103, Michigan Gas Transmission Corporation — Statement showing Gas Sales, Gas Transported, Gas used by Company, Line Losses and Gas Purchased for the years ended December 31, 1936 to 1940, inclusive, twelve months ended June 30, 1941 and December 31, 1940	14540	4957
106, Registration Statement of Panhandle Eastern Pipe Line Company No. 2-4597, filed with the Securities & Exchange Commission November 18, 1940, Excerpts from:	14548	4959

	Original Print	
Cover and Pages 1 to 4	14538	4959
Pages 45 and 46	14593	4969
Pages 60 and 61	14608	4973
Page S-1, Auditor's Certificate	14626	4977
Pages S-3 to S-7, Balance Sheet as of December 31, 1940	14628	4979
Pages S-17 to S-24, Intangible Assets; etc.	14642	4980
107, Report A-11488 of the Committee on Stock List, New York Stock Exchange, application for Listing of the first Mortgage and First Lien 3% Bonds, Series B due November 1, 1960 of Panhandle Eastern Pipe Line Company	14651	5005
Page 1	14651	5005
108, Letter of P. McDonald Biddison re Provision for Retirements, Depletion and Amortization for year 1938	14732	5006
109, Letter of P. McDonald Biddison re Provision for Retirements, Depletion and Amortization for year 1939	14733	5007
110, Letter of P. McDonald Biddison re Provision for Retirements, Depletion and Amortization for year 1940	14734	5008
111, Letter of P. McDonald Biddison re Provision for Retirements, Depletion and Amortization for year 1941	14735	5009
112, Table of Subsidiary Companies of Panhandle Eastern Pipe Line Company	14736	5010
131, Future Division of Production between Fields Considering a reasonable expected Load Increase	14768	5015
132, Future Division of Production between Fields without Consideration for increased Loads	14769	5017
137, Acres used in Determining Weighted Average Pressures of Texas Panhandle Field	14783	5018
138, Dry Gas Production and Pressure Decline — Texas Panhandle Field	14784	5019
139, Estimated Intake Pressures at Sneed Compressor Station	14785	5020
140, Estimated Average Working Pressures at Well head for "Group Areas" shown on Exhibit 46	14786	5021
141, Annual and Cumulative Production from Panhandle Field, Texas	14787	5023
142, Summary of Cost of Gas Produced and Purchased — basic Load for the years 1940-46, inclusive	14789	5026
Schedule 1, Summary of Cost of Gas Produced and Purchased per M. C. F. by Fields — Basic Load for the years 1940 to 1946 inclusive	14790	5027
Schedule 2, Cost of Gas Purchased per M. C. F. By Fields — Basic Load for the years 1940 to 1946 inclusive	14791	5027
Schedule 3, Production Costs per M. C. F. Produced by Fields — Basic Load for the years 1940 to 1946 inclusive	14792	5031
Schedule 4, Transportation Costs per M. C. F. Produced by Fields — Basic Load for the years 1940 to 1946 inclusive	14793	5033
Schedule 5, Summary of Production and Transportation Costs per M. C. F. Produced by Fields — Basic Load for the years 1940 to 1946 inclusive	14794	5035

143, Summary of Cost of Gas Produced and Purchased — Estimated Future Load for the years 1940 to 1946, inclusive	14795	5086
Schedule 1, Summary of Cost of Gas Produced per M. C. F. by Fields — Estimated future Load for the years 1940 to 1946 inclusive	14796	5037
Schedule 2, Cost of Gas Purchased per M. C. F. by Fields — Estimated Future Load for the years 1940 to 1946 inclusive	14797	5039
Schedule 3, Production Costs per M. C. F. Produced by Fields — Estimated Future Load for the years 1940 to 1946 inclusive	14798	5041
Schedule 4, Transportation Costs per M. C. F. Produced by Fields — Estimated Future Load for the years 1940 to 1946 inclusive	14799	5043
Schedule 5, Summary of Production and Transportation Costs per M. C. F. Produced by Fields — Estimated Future Load for the years 1940 to 1946 inclusive	14800	5045
145, Panhandle Eastern Pipe Line Company — Compiled Registration Statement No. 2-4919 filed with the Securities & Exchange Commission December 21, 1941, Excerpts from	14824	5047
Cover and following Page	14824	5047
Pages 2 to 5	14827	5051
Pages 9 to 20	14834	5059
Page S-1, Auditor's Certificate	14924	5083
Pages S-3 to S-9, Balance Sheet as of September 30, 1941	14926	5085
Pages S-18 to S-21, Reserves for Depreciation, etc.	14941	5099
147, Holding Company Act Release No. 3286, January 23, 1942 — Findings and Opinion of the Securities & Exchange Commission in the Matter of Columbia Gas and Electric Corporation, et al	15091	5107
Order	15114	5140
149, Statement showing Investment by Owners and Long Term Creditors at June 30, 1941, Panhandle Eastern Pipe Line Company	15117	5143
150, Financial Data of Common Stock Issues of Electric and Gas Utilities, Years 1935 to 1940, inclusive	15118	5145
151, Earnings — Price Ratios of Common Stocks in Various Divisions of the Utility Industry	15122	5153
152, Estimate of Federal Income and Excess Profits Taxes, applying Rates levied in the Revenue Act of 1941 to Net Income for the Year ended June 30, 1941, Panhandle Eastern Pipe Line Company	15131	5171
153, Statement of Cost of Business Development Period from April 1, 1932 to June 30, 1941, Panhandle Eastern Pipe Line Company	15135	5177
157-A, Agreement between Panhandle Eastern Pipe Line Company and Columbia Gas and Electric Corporation and Columbia Oil and Gasoline Corporation dated January 31, 1936 (Exhibit H-6)	15227	5183
157-B, Agreement between Columbia Oil and Gasoline Corporation and Columbia Gas and Electric Corporation and		

Original Print

Panhandle Eastern Pipe Line Company and Henry T. Bush and C. Ray Phillips, receivers of Missouri-Kansas Pipe Line Company, dated as of June 1, 1936 (Exhibit H-9)	65237	5183
Exhibit A, General Release	15251	5200
Exhibit B, General Release to Receivers	15254	5202
Exhibit C, Release of Claim	15256	5203
157-C, Bound Volume containing Offer dated January 31, 1936 of Columbia Gas & Electric Corporation and Columbia Oil and Gasoline Corporation to the Receivers of Missouri-Kansas Pipe Line Company, Extension dated March 5, 1936, Modification dated April 22, 1936 and Acceptance dated April 29, 1936 (Exhibit I-2)	15258	5205
Letters	15266	5220
158, Statement showing Gas Revenue from Indiana Gas Transmission Corporation and Michigan Gas Transmission Corporation from November 1931 to November 1941, inclusive, Panhandle Eastern Pipe Line Company	15280	5233
160, Purchase Agreement dated February 2, 1942 between Panhandle Eastern Pipe Line Company and Gloré, Forgan & Company and Kidder, Peabody & Company	15285	5241

Index, Volume XII.

161, Estimated Main Line Sales and Revenues, years 1941-1946, inclusive, Panhandle Eastern Pipe Line Company	15300	5271
162, Ten Years' Estimate (1941-1951) of Sales to Detroit and other Areas and Types of Sale	15301	5273
163, Financial Statement of Michigan Gas Transmission Corporation for Period ended December 31, 1941	15312	5295
Balance Sheet as of December 31, 1941	15313	5297
Assets	15314	5299
Liabilities	15315	5301
Income Statement	15317	5305
Gas	15318	5307
Non-Utility	15320	5311
Other Income	15321	5313
Other Deductions	15322	5315
Surplus	15323	5317
Gas Expenses	15335	5341
Statistical Report	15339	5349
Fixed Capital Expenditure, Report	15343	5357
164, Supplementary Statement of Financial Statement, Exhibit 163	15353	5377
165, Operating Budget of Michigan Gas Transmission Corporation for the year 1942, Excerpt from	15355	5381
Cover	15355	5381
Pages 3 to 53	15357	5383
Income Statement	15357	5383
Gas	15358	5385
Other Deductions	15359	5387
166, Statements showing Gas Purchase and Sales Transactions between Panhandle Eastern Pipe Line Company and Subsidiaries	15373	5413

167, Statement showing Checks of Michigan Consolidated Gas Company in favor of Michigan Gas Transmission Corporation drawn on National Bank of Detroit	15374	5415
169, Statement showing Percentage Increase or Decrease of Sales of Natural Gas of Michigan Gas Transmission Corporation for year 1937 to 1941, inclusive, to other affiliates	15376	5417
170, Certificate setting forth the Designation and certain of the Terms of the 5.60% cumulative Preferred Stock of Panhandle Eastern Pipe Line Company filed February 3, 1942, in Delaware	15378	5421
171, Certificate of Purchase and Retirement of Class A Preferred Stock of Panhandle Eastern Pipe Line Company filed February 14, 1942 in Delaware	15393	5434
172, Balance Sheets per Books Panhandle Eastern Pipe Line Company and Subsidiary Companies, as at each December 31, 1930 through 1941	15397	5437
173, Income Statement per Books, Period from April 1, 1932 to December 31, 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15400	5443
174, Earned Surplus per Books, Period from Commencement of Operations to December 31, 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15402	5447
175, Capital Surplus per Books, Period from September 1, 1930 to December 31, 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15404	5451
176, Gas Plant — Panhandle Eastern Pipe Line Company and Subsidiary Companies as at each December 31, 1930 through 1941	15405	5453
177, Statement of Gas Produced, Period from April 1, 1932 to December 31, 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15407	5456
178, Statement of Gas Purchased from Period April 1, 1932 to December 31, 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15408	5457
179, Statement of Gas Revenue, Period from April 1, 1932 to December 31, 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15409	5459
180, Statement of Gas Revenue by States, Period from April 1, 1932 to December 31, 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15410	5461
181, Net Additions to Gas Plant per Books October 1, 1938 to December 31, 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15411	5462
182, Comparative Statement of Depreciation, Depletion and Amortization of Unoperated leases authorized by Board of Directors and the amounts booked for the years 1937, 1938, 1940 and 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15412	5463
183, Statement showing Amount of Depreciation claimed in Federal Income Tax Returns and Settlement Basis for the nine months ended December 31, 1932 and the years 1933 to 1940, inclusive, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15413	5463

Original Print

184, Comparative Statement of State, Local and Miscellaneous Federal Taxes Paid with the Amounts Accrued years 1936 to 1940, inclusive	15414	5464
185, Statement of Taxes Paid for the years 1936 through 1940, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15415	5465
186, Reconciliation Federal Income and Federal Excess Profits Taxes Paid with Amounts accrued years 1936 through 1940, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15416	5467
187, Panhandle Eastern Pipe Line Company and Subsidiary Companies' Statements and Copies of Contracts with Missouri Power and Light Company, Illinois Iowa Power Company, Caterpillar Tractor Company, Keystone Steel & Wire Company, R. Herschel Manufacturing Company and Peoria Malleable Castings Company; Excerpts from	15417	5469
Page 1, Statement concerning Contract with Missouri Power and Light Company	15417	5469
Page 2, Statement concerning Contract with Illinois Iowa Power Company	15430	5469
Page 3, Statement concerning Contract with Caterpillar Tractor Company	15442	5470
Page 4, Statement concerning Contract with Keystone Steel and Wire Company	15443	5471
Page 5, Statement concerning Contract with R. Herschel Manufacturing Company	15449	5472
Page 6, Statement concerning Contract with Peoria Malleable Castings Company	15452	5472
188, Panhandle Eastern Pipe Line Company Annual Report for the year 1940, Excerpts from	15458	5478
Pages 3 to 6, Annual Report for 1940	15458	5473
189, Panhandle Eastern Pipe Line Company Annual Report for the year 1941, Excerpts from	15472	5476
Pages 3 to 8, Annual Report for 1941	15472	5476
190, Comparative Statement of Operating and Maintenance Expenses year ended December 31, 1940 and 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15486	5483
191, Reconciliation of Net Income per books with Net Income per Federal Income Tax Return for the year 1939, Panhandle Eastern Pipe Line Company	15490	5489
192, Reconciliation of Net Income per books with Net Income per Federal Income Tax Return for the year 1940, Panhandle Eastern Pipe Line Company	15491	5491
193, Analysis of Reserve for Depreciation of Gas Plant, years ended December 31, 1932 through 1940 and six Months ended June 30, 1941, Panhandle Eastern Pipe Line Company and Subsidiary Companies	15492	5493
194, Panhandle Eastern Pipe Line Company and Subsidiary Companies pro forma Consolidated Balance Sheet as of December 31, 1941 giving effect to financing Transaction consummated on February 6, 1942 and Acquisition on that Date of Capital Stock and Debt of Michigan Gas		

Transmission Corporation, and Indiana Gas Distribution Corporation, and Purchase of Certain Property of Ohio Fuel Gas Company	15494	5499
195, Panhandle Eastern Pipe Line Company and Subsidiary Companies pro forma Consolidated Income Account (Note A) for the year ended December 31, 1941	15499	5505
196, Panhandle Eastern Pipe Line Company and Subsidiary Companies pro forma Consolidated Income Account (Note A) for the year ended December 31, 1941 as adjusted to give the Effect to Federal Income and Federal Excess Profits Tax Rates proposed in Recommendation of Secretary of Treasury Morgenthau on March 3, 1942 before House, Ways and Means Committee	15502	5509
197, Panhandle Eastern Pipe Line Company and Subsidiary Companies Balance Sheet per books February 28, 1942	15506	5513
198, Panhandle Eastern Pipe Line Company and Subsidiary Companies pro forma Consolidated Income Account (Note A) for the twelve months ended February 28, 1942	15510	5519
199, Panhandle Eastern Pipe Line Company and Subsidiary Companies pro forma Consolidated Income Account (Note A) for the twelve Months ended February 28, 1942 as adjusted to give effect to Federal Income and Federal Excess Profits Tax Rates proposed in Recommendation of Secretary of Treasury Morgenthau on March 3, 1942 before House, Ways and Means Committee	15513	5523
200, Panhandle Eastern Pipe Line Company and Subsidiary Companies (including Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation) Comparative Statement of Gas Plant as of December 31, 1939, December 31, 1940, June 30, 1941, December 31, 1941 and February 28, 1942	15517	5527
201, Michigan Gas Transmission Corporation Gas Plant, as at each December 31, 1931 through 1941	15519	5531
202, Panhandle Eastern Pipe Line Company and Subsidiary Companies, including Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation, Statement of Estimated Federal Income and Excess Profits Taxes for the year 1941 (based on the Revenue Act of 1941)	15520	5533
203, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement of Operation and Maintenance Expense year 1941 (restated to include Michigan Gas Transmission Corporation and Indiana Gas Distribution Corporation for entire year)	15525	5541
204, Panhandle Eastern Pipe Line Company and Subsidiary Companies 1942 Construction and Retirement Budgets Summary by Companies	15529	5545
205, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement of Certain Estimated Construction Expenditures for the year 1942	15537	5556
208, Financial Statement of Panhandle Eastern Pipe Line Company and Subsidiary Companies for the period ended December 31, 1941	15783	5556

	Original Print	
Financial Statement of Panhandle Eastern Pipe Line Company and Subsidiary Companies	15783	5556
Financial Statement of Illinois Natural Gas Company	15822	5600

Index, Volume XIII.

Financial Statement of Panhandle Eastern Pipe Line Company	15838	5630
Statistical Report of Panhandle Eastern Pipe Line Company and Subsidiary Companies	15868	5688
209, Letter of Panhandle Eastern Pipe Line Company to Detroit City Gas Company dated March 30, 1936 designating the Office to which the latter Company should make Payment for Gas delivered pursuant to Contract of August 31, 1935	15899	5748
210, Index Numbers of Wholesale Prices of Commodities by Groups (1926=100)	15901	5750
211, U. S. Department of Labor, Bureau of Labor Statistics Release of March 26, 1942 Wholesale Prices for the Week ended March 21, 1942	15902	5751
212, U. S. Department of Labor, Bureau of Labor Statistics, "Index Numbers of Wholesale Prices of All Commodities by Months, from 1890 to 1940 (1926=100)"	15904	5755
213, Table showing Average Hourly Earnings and Average Hours per Week per Wage Earner in twenty-five Manufacturing Industries from 1914 to 1942	15905	5757
214, Graph showing Average Hourly Earnings and Average actual Hours per Week per Worker in twenty-five Manufacturing Industries from 1914 to 1942	15912	5765
215, Table showing "Employment, Payrolls and Average Weekly Earnings in Representative New York State Factories, from 1914 to 1941 employment (Index Numbers with Average from 1925 to 1927 as 100)"	15913	5767
216, Indexes of Wholesale Prices and Cost of Living for certain months from 1913 to 1942 (1935-1939 = 100)	15914	5769
217, Graph showing Indexes of Wholesale Prices and Cost of Living from 1913 to 1941	15916	5771
218, Testimony of Mr. Joe D. Creveling before the Securities and Exchange Commission on November 29, 1941, in the Matter of Columbia Gas & Electric Corporation, et al., File No. 59-33, etc.	15917	5773
219, Panhandle Eastern Pipe Line Company Gas Sales and Purchase Contracts, Copy of Report by Bureau of Internal Revenue and Related Correspondence	15931	5783
Exhibit A, Statement relating to Comparison of Values of Assets transferred to Panhandle Eastern Pipe Line Company by Missouri-Kansas Pipe Line Company, etc.	15937	5789
Exhibit B, Schedule showing Sales of Various Units of Pipe Line Construction sold by Shippey, Madala and Parish Gas Company, etc.	15938	5790
Letter of Leith V. Watkins, Secretary Controller, of Panhandle Eastern Pipe Line Company to N. F. Paxton, Assistant Secretary, Panhandle Eastern Pipe Line Company, November 7, 1941	15940	5792

Waiver of Restriction on Assessment and Collection of Deficiency in Tax and Acceptance of Overassessment	15942	5794
Letter of J. P. Wenchel, Chief Counsel, of Treasury Department to Panhandle Eastern Pipe Line Company, April 11, 1940	15944	5795
Letter of Leith V. Watkins, Secretary-Controller, of Panhandle Eastern Pipe Line Company to J. P. Wenchel, Chief Counsel, for Treasury Department, August 21, 1940	15947	5798
Letter of J. P. Wenchel, Chief Counsel, of Treasury Department to Panhandle Eastern Pipe Line Company, October 3, 1940	15951	5811
Letter of Leith V. Watkins, Secretary-Controller, of Panhandle Eastern Pipe Line Company to J. P. Wenchel, Chief Counsel, for Treasury Department, February 24, 1941	15956	5812
220, Panhandle Eastern Pipe Line Company Excerpts from Minutes of Meetings of Board of Directors relating to provisions for Depreciation, Depletion, and Amortization	15962	5818
Minutes of February 24, 1942	15963	5818
Minutes of January 25, 1941	15964	5818
Minutes of December 14, 1939	15965	5819
Minutes of December 22, 1937	15966	5820
Minutes of February 13, 1936	15967	5820
Minutes of February 15, 1933	15970	5821
Minutes of May 5, 1932	15972	5830
221, Panhandle Eastern Pipe Line Company and Subsidiary Companies Computation of working Capital Requirement	15975	5832
222, Panhandle Eastern Pipe Line Company and Subsidiary Companies Computation of Average return Earned on Net Investment for the period April 1, 1932 to December 31, 1941	15980	5835
223-A, Panhandle Eastern Pipe Line Company and Subsidiary Companies Comparison of Average Return Earned on Net Investment for the periods April 1, 1932 to December 31, 1936, and January 1, 1937 to December 31, 1941	15982	5838
223, Panhandle Eastern Pipe Line Company and Subsidiary Companies substitute Estimate (less economic) of Additional Capital Expenditures South and West of Liberal Compressor Station required to meet Peak-day Sales of 307,000 M. C. F., 1942	15983	5839
224, Panhandle Eastern Pipe Line Company and Subsidiary Companies substitute Estimate (less economic) of Additional Capital Expenditures South and West of Liberal Compressor Station required to meet Peak-day Sales of 338,000, M. C. F., 1942	15984	5840
225, Panhandle Eastern Pipe Line Company and Subsidiary Companies Estimate of Operation and Maintenance Costs South and West of Liberal Compressor Station, 307,000 M. C. F. Continuous Daily Sales Capacity Operation at 70% Capacity Factor	15985	5841
226, Panhandle Eastern Pipe Line Company and Subsidiary Companies Estimate of Operation and Maintenance Costs		

South and West of Liberal Compressor Stations, 307,000 M. C. F. Continuous Daily Sales Capacity Operation at 90% Capacity Factor.....	15987	5845
227, Panhandle Eastern Pipe Line Company and Subsidiary Companies Estimate of Operation and Maintenance Costs South and West of Liberal Compressor Station, 338,000 M. C. F. Continuous Daily Sales Capacity Operation at 70% Capacity Factor.....	15989	5849
228, Panhandle Eastern Pipe Line Company and Subsidiary Companies Estimate of Operation and Maintenance Costs South and West of Liberal Compressor Station, 338,000 M. C. F. Continuous Daily Sales Capacity Operation at 90% Capacity Factor.....	15991	5853
229, Capacity Study April 7, 1942 Continuous Daily Delivery Capacity — 307,000 M. C. F.....	15993	5857
230, Capacity Study April 7, 1942 completely looped and economically powered Main Line System with Economic Production Transmission Expenditures.....	15998	5862
231, Capacity Study April 7, 1942 revised completely looped and economically powered Main Line System with less Economic Production Transmission Expenditures.....	16003	5867
232, Michigan Gas Transmission Corporation Computation of Average Return Earned on Net Investment for the period March 1, 1936 to December 31, 1941.....	16008	5873
233, Prospectus Panhandle Eastern Pipe Line Company \$10,000,000 First Mortgage and First Lien 3% Bonds, Series C, due January 1, 1962, and 150,000 shares 5.60% Cumulative Preferred Stock, Excerpts from.....	16009	5875
Page 1.....	16009	5875
Pages 3 to 8, Application of Proceeds, etc.....	16011	5877
Pages 11 to 13, Certain Proposed Acquisitions, etc.....	16019	5889
Page 16, Letter to Board of Directors, November 13, 1941.....	16024	5895
Page 66, Notes to Balance Sheets.....	16075	5897
Page 69, Notes to Income Account.....	16078	5899
234, Summary of Construction and Retirement Budget and Work Order Procedure.....	16095	5901
235, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement showing the Computation of Depreciation for Federal Income Tax Purposes for the year 1939 as claimed in Federal Income Returns.....	16097	5903
236, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement showing the Computation of Depreciation for Federal Income Tax Purposes for the year 1939 on the basis as settled with the Bureau of Internal Revenue.....	16098	5905
237, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement showing the Computation of Depreciation for Federal Income Tax Purposes for the year 1940 as claimed in Federal Income Tax Return.....	16099	5907
238, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement showing the Computation of Depreciation for Federal Income Tax purposes for the year 1940 on the basis as settled with the Bureau of Internal Revenue.....	16100	5909

243, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement of Estimated Federal Income and Excess Profits Taxes for the 12 months ended February 28, 1942 (based on Revenue Act of 1941).....	16105	5911
244, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement of Budget Items included in Exhibit No. 205.....	16108	5917
245, Agreement between Columbia Gas & Electric Corporation and Panhandle Eastern Pipe Line Company dated February 5, 1942.....	16110	5921
246, Panhandle Eastern Pipe Line Company and Subsidiary Companies preliminary Determination of the second Installment of Purchase Price to be paid to Columbia Gas & Electric Corporation, computed in accordance with Provisions (Paragraph C) of the Agreement between Columbia Gas and Electric Corporation and Panhandle Eastern Pipe Line Company dated February 5, 1942.....	16123	5932
247, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement showing Certain Increased Costs not fully Present in Income Account (Exhibit 195 and 196) for the year 1941.....	16124	5933
248, Panhandle Eastern Pipe Line Company and Subsidiary Companies pro forma Consolidated Income Account for the year ended December 31, 1941.....	16125	5935
249, Panhandle Eastern Pipe Line Company and Subsidiary Companies pro forma Consolidated Income Account for the year ended December 31, 1941 (Note A), as adjusted to give effect to Federal Income and Federal Excess Profits Tax Rates proposed in Recommendation of Secretary of Treasury Morgenthau on March 3, 1942 before House Ways and Means Committee.....	16128	5939
250, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement of Rate Case Expenses in Connection with Federal Power Commission Consolidated Dockets G-200 and G-207 including actual cost to February 28, 1942 and Estimated Cost to complete.....	16131	5942
250-A, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement of Rate Case Expenses in Connection with Federal Power Commission Consolidated Dockets G-200 and G-207 including actual Cost to February 28, 1942 and Estimated Cost to complete.....	16131A	5943
251, Panhandle Eastern Pipe Line Company and Subsidiary Companies Statement showing pro forma Consolidated Net Operating Revenue as adjusted for a full Year's Cost (Note A) as allocated between regulated and non-regulated Sales for the year ended December 31, 1941.....	16132	5947
252, Panhandle Eastern Pipe Line Company and Subsidiary Companies Additional Information requested in re Exhibit No. 17.....	16138	5956
253, Study relative to Minimum Return Requirements of Panhandle Eastern Pipe Line Company (giving Effect to Property Acquisitions) prepared by Paul B. Coffman Chart No. 1, Condensed Actual and pro forma Balance Sheets of Panhandle Eastern Pipe Line Company as of December 31, 1941.....	16145	5961
	16149	5967

Index Volume XIV.

	Original	Print
Chart No. 2, Trend of Revenue and Expenses of Panhandle Eastern Pipe Line Company from 1932 to 1941 and pro forma.....	16150	5969
Chart No. 3, Percent Earned on Invested Capital of Panhandle based upon Net Gas Plant and Working Capital from 1932 to 1941.....	16151	5971
Chart No. 4, Percent Earned on Invested Capital of Panhandle based upon Capital Structure from 1932 to 1941.....	16152	5973
Chart No. 5, Return to Common Stockholders of Panhandle Eastern Pipe Line Company from 1932 to 1941.....	16153	5975
Chart No. 6, Percent Earned on Invested Capital of Panhandle pro forma for 12 Months ended February 28, 1942.....	16154	5977
Chart No. 7, Percent Earned on Invested Capital of Panhandle pro forma for 12 Months ended February 28, 1942.....	16155	5979
Chart No. 8, Working Capital of Panhandle Eastern Pipe Line Company is being Reinvested in Fixed Assets.....	16156	5981
Chart No. 9, Effect of Sinking Fund and Maturity Provisions of Debt and Preferred Stock of Panhandle Eastern Pipe Line Company.....	16157	5983
Chart No. 10, Investors' Appraisal of Overall Capital Risks in Various Divisions of the Utility Industry from 1937 to 1941.....	16158	5985
Chart No. 11, Investors' Appraisal of Overall Capital Risks 153 Stable Industrial Companies.....	16159	5987
Chart No. 12, Panhandle Eastern Pipe Line Company invested Capital as of February 28, 1942.....	16160	5989
Chart No. 13, Cost of Financing Panhandle Eastern Pipe Line Company First Lien and First Mortgage Series "C" S. F. 3's due January 1, 1962.....	16161	5991
Chart No. 14, Historical Costs of Debt Capital of Panhandle Eastern Pipe Line Company from 1930 to 1942.....	16162	5993
Chart No. 15, Cost of Financing Panhandle Eastern Pipe Line Company 5.60% Preferred Stock.....	16163	5995
Chart No. 16, Historical Costs of Preferred Stock Capital of Panhandle Eastern Pipe Line Company from 1936 to 1942.....	16164	5997
Chart No. 17, Record of Sales of Panhandle Eastern Pipe Line Company 5.60% Preferred Stock to Public from February 4 to March 30, 1942.....	16165	5999
Chart No. 18, Price to Public of Panhandle Eastern Pipe Line Company 5.60% Preferred Stock reduced on April 2, 1942.....	16166	6001
Chart No. 19, Record of Sales of Panhandle Eastern Pipe Line Company 5.60% Preferred Stock to Public from April 2 to April 10, 1942.....	16167	6003
Chart No. 20, Assumed Cost of Financing Panhandle Eastern Pipe Line Company 5.60% Preferred Stock.....	16168	6005
Chart No. 21, Earnings — Price Ratios of Natural Gas Pipe Line Company Common Stocks from 1937 to 1941.....	16169	6007
Chart No. 22, Average Earnings — Price Ratios of Natural Gas Pipe Line Company Common Stocks from 1937 to 1941.....	16170	6009

Chart No. 23, Accepted Earnings — Price Ratio for Panhandle Eastern Pipe Line Co. Common Stock	16171	6011
Chart No. 24, Minimum Earnings required for Common Stock of Panhandle Eastern Pipe Line Company	16172	6013
Chart No. 25, Minimum Earnings required to Maintain Credit Position of Panhandle Eastern Pipe Line Company	16173	6015
Chart No. 26, Minimum Earnings required to Maintain Credit Position of Panhandle Eastern Pipe Line Company	16174	6017
Chart No. 27, Prime Money Rates Monthly from 1930 to March, 1942	16175	6019
Chart No. 28, Commercial Loan Rates Charged Customers by Banks in Principal Cities — Monthly, from 1930 to 1942	16176	6021
Chart No. 29, Yields on U. S. Government and High Grade Municipal Bonds Monthly, from 1930 to March, 1942	16177	6023
Chart No. 30, Standard's Highest Grade (A1 ⁺) Corporate Bond Yields Monthly, from 1930 to March, 1942	16178	6025
Chart No. 31, Standard's Corporate Bond Yields — by Quality Rating Monthly, from 1937 to March, 1942	16179	6027
Chart No. 32, Standard's Public Utility Bond Yields — by Quality Rating Monthly, from 1937 to March, 1942	16180	6029
Chart No. 33, Bonds, Debentures and Notes issued by Natural Gas Companies from 1936 to 1941	16181	6031
Chart No. 34, Bonds and Debentures of Natural Gas Companies sold from January 1, 1936 to December 31, 1941	16182	6033
Chart No. 35, Yields on New Security Issues of Natural Gas Companies according to Quality Rating, from 1936 to 1941	16183	6035
Chart No. 36, Ideal Earnings Coverage Ratios for High Grade (A Group) Natural Gas Company Bonds	16184	6037
Chart No. 37, Debt Coverage Ratios for El Paso Natural Gas Company Actual and Adjusted to a 6-1/2% Rate of Return	16185	6039
Chart No. 38, Debt Coverage Ratios for Northern Natural Gas Company Actual and Adjusted to a 6-1/2% Rate of Return	16186	6041
Chart No. 39, Debt Coverage Ratios for Southern Natural Gas Company Actual and Adjusted to a 6-1/2% Rate of Return	16187	6043
Chart No. 40, Debt Coverage Ratios for Cities Service Gas Company Actual and Adjusted to a 6-1/2% Rate of Return	16188	6045
Chart No. 41, Debt Coverage Ratios for Mississippi River Fuel Corporation Actual and Adjusted to a 6-1/2% Rate of Return	16189	6047
Chart No. 42, Debt Coverage Ratios for Natural Gas Companies Adjusted to 6-1/2% Return on Net Property and Working Capital	16190	6049

Original Print

Chart No. 43, Debt Coverage Ratios of Panhandle Eastern Pipe Line Company at Various Levels of Net Operating Revenue.....	16191	6051
Chart No. 44, Debt Coverage Ratios of Panhandle Eastern Pipe Line Company at Various Levels of Net Operating Revenue.....	16192	6053
Chart No. 45, Effect of Increased Gross Revenue and Taxes upon Panhandle's Net Operating Revenue.....	16193	6055
Chart No. 46, Calculation to show Rate of Return Necessary to Produce \$5,382,677 — Assuming Various Rate Bases.....	16194	6057
Tables supporting Various Charts.....	16196	6061
254, Investors' Appraisal of the Risks of Capital in 153 Stable Industrial Companies for the years 1937 to 1941, inclusive, prepared by Paul B. Coffman.....	16242	6153
Section I, Complete List of Industrial Companies whose Common Stocks were Listed on the New York Stock Exchange from January 1, 1932 to April 1, 1942, etc.....	16246	6161
Section II, Summary showing Computation of "Investors' Appraisal of the Risks of Capital represented by 153 Stable Industrial Companies".....	16250	6169
Section III, Working Papers showing the Computation of "Investors' Appraisal of the Risks of Capital" of each of the 153 Stable Industrial Companies.....	16254	6177

Index, Volume XV. and XVI.

Section IV, Working Papers showing the Computation of "Investors' Appraisal of the Risks of Capital" in the Natural Gas Industry as compared with other Divisions of the Utility Industry for the full Year 1941, etc.....	16530	6729
255, Letter of Panhandle Eastern Pipe Line Company dated April 11, 1942 to Mr. Park Chamberlain, and Tabulation of Comparative Statement of Demand Charges under Original and Supplemental Contracts, Panhandle Eastern Pipe Line Company and Michigan Consolidated Gas Company for Detroit.....	16582	6833
256, Letter Agreement between Columbia Oil & Gasoline Corporation, National City Company and Missouri-Kansas Pipe Line Company, dated September 19, 1930 and Contract dated September 17, 1930.....	16585	6839
257, Panhandle Eastern Pipe Line Company and Subsidiary Companies Reconciliation of Net Income per books with Estimated Excess Profits Net Income for the year 1941.....	16595	6853
258, Holding Company Act Release No. 3415 dated April 1, 1942, Findings and Opinion of the Securities and Exchange Commission in the Matter of Columbia Gas & Electric Corporation, File Nos. 59-33, etc.....	16599	6856
Order requiring Divestiture pursuant to Section 11 (b) (1) and Redistribution of Voting Power pursuant to Section 11 (b) (2).....	16606	6865
259, Weighted Average Earnings — Price Ratios on Common Stocks 153 Stable Industrial Companies.....	16608	6867

Original Print

260. Panhandle Eastern Pipe Line Company Status of Proposed 1942 Construction Program, Production and Gathering System South and West of Liberal Station	16609	6868
261. Panhandle Eastern Pipe Line Company and Subsidiary Companies Main Line System Approximate Coincidental Maximum Day Sales during the Winter Periods of 1940-1941 and 1941-1942	16612	6871
262. Panhandle Eastern Pipe Line Company and its Subsidiary Companies Interruptible Customers Curtailment — January 4-12, 1942	16617	6881
263. Panhandle Eastern Pipe Line Company and Subsidiaries Allocation of Adjusted 1941 Costs between Regulated and Non-regulated Sales	16618	6883
264. Index of Gas Rate Schedule of Illinois Natural Gas Company, Michigan Gas Transmission Corporation and Panhandle Eastern Pipe Line Company	16621	6889
Schedule 12, Gas Contract between Panhandle Eastern Pipe Line Company and Detroit City Gas Company, August 31, 1935	1	6889
Supplement 2 of Schedule 12, Supplemental Gas Contract between Panhandle Eastern Pipe Line Company and Detroit City Gas Company, June 2, 1936	1	6920
266. Financial Statement of Indiana Gas Distribution Corporation for Period ended December 31, 1941	16643	6929
267. Panhandle Eastern Pipe Line Company and Subsidiary Companies Comparative Balance Sheets — per books, Comparative Earnings Summary — per books, Adjusted Earnings Summary and Gas Plant — per books as of March 1, 1941, and March 31, 1942	16676	6993
Complaint of City of Detroit and County of Wayne, Complainants v. Panhandle Eastern Pipe Line Company and Michigan Gas Transmission Corporation, Defendants, filed February 28, 1941, Federal Power Commission, Docket No. G-200	16686	7002
Separate Answer of Michigan Gas Transmission Corporation filed March 28, 1941 in Docket No. G-200	16693	7008
Petition of Michigan Public Service Commission for Leave to intervene filed March 31, 1941 in Federal Power Commission, Docket No. G-200	16698	7011
Separate Answer of Panhandle Eastern Pipe Line Company filed April 3, 1941 in Federal Power Commission, Docket No. G-200	16705	7015
Order entered June 10, 1941 fixing date of Hearing in Federal Power Commission, Docket No. G-200	16715	7022
Order entered June 10, 1941 permitting the Michigan Public Service Commission to intervene in Federal Power Commission, Docket No. G-200	16718	7024
Petition of Panhandle Eastern Pipe Line Company filed June 26, 1941 for Continuance of Hearing in Docket No. G-200	16720	7025
Concurring Petition of Michigan Gas Transmission Corporation filed July 3, 1941 for Continuance of Hearing in Docket No. G-200	16728	7030

XXX

Original Print

Objection of City of Detroit and County of Wayne to Defendant's Petition for Continuance of Hearing filed July 3, 1941 in Docket No. G-200.....	16733	7032
Federal Power Commission's Designation of Trial Examiner.....	16736	7034
Order entered July 8, 1941 denying Petitions for Continuance of Hearing in Docket No. G-200.....	16737	7034
Petition of Michigan Consolidated Gas Company for Leave to intervene filed July 10, 1941 in Docket No. G-200.....	16739	7035
Petition of Intervention.....	16744	7038
Order entered July 12, 1941 permitting Michigan Consolidated Gas Company to intervene in Docket No. G-200.....	16755	7046
Answer of Michigan Gas Transmission Corporation to Petition of Intervenor, Michigan Consolidated Gas Company.....	16757	7047
Answer of Panhandle Eastern Pipe Line Company to Petition of Michigan Consolidated Gas Company, Intervenor, filed August 18, 1941 in Docket No. G-200.....	16762	7051
Motion to Dismiss filed by Panhandle Eastern Pipe Line Company on August 20, 1941 in Docket No. G-200.....	16771	7058
Motion to Dismiss filed by Michigan Gas Transmission Corporation on August 21, 1941 in Docket No. G-200.....	16773	7059
Order of Federal Power Commission denying Motions to Dismiss of Panhandle Eastern Pipe Line Company and Michigan Gas Transmission Corporation.....	16775	7060
Order of Federal Power Commission entered May 22, 1941 instituting Investigation in Docket No. G-207.....	16776	7061
Order of Federal Power Commission entered September 2, 1941 consolidating Proceedings for Purposes of Hearing, Dockets Nos. G-200 and G-207.....	13779	7034
Petition of Panhandle Eastern Pipe Line Company filed February 4, 1942 for Continuance of Hearing.....	16799	7065
Objection of City of Detroit and County of Wayne filed February 11, 1942 to petition for Continuance of Hearing.....	16809	7070
Order of Federal Power Commission entered February 17, 1942 denying Petition for Continuance and Changing Place of Hearing in Dockets Nos. G-200 and G-207.....	16811	7072
Petition for Continuance of Hearing filed by Panhandle Eastern Pipe Line Company and Michigan Gas Transmission Corporation on February 28, 1942.....	16814	7073
Exhibit A, Limitation Order L-31 to curtail Consumption of Natural Gas.....	16823	7079
Exhibit A, Areas subject to Prohibitions contained in Paragraph (e) of Limitation Order L-31.....	16828	7084
Order of Federal Power Commission entered March 26, 1942 enlarging Investigation and making Illinois Natural Gas Company a Party Respondent in Proceeding Designated Docket No. G-207.....	16834	7088
Motion of Counsel for Federal Power Commission filed April 27, 1942 praying that the Federal Power Commission enter an immediate Order fixing just and reasonable Rates.....	16839	7091
Motion filed by Michigan Consolidated Gas Company on April 27, 1942 praying that the Federal Power Commission enter an immediate Order reducing Rates.....	16849	7098

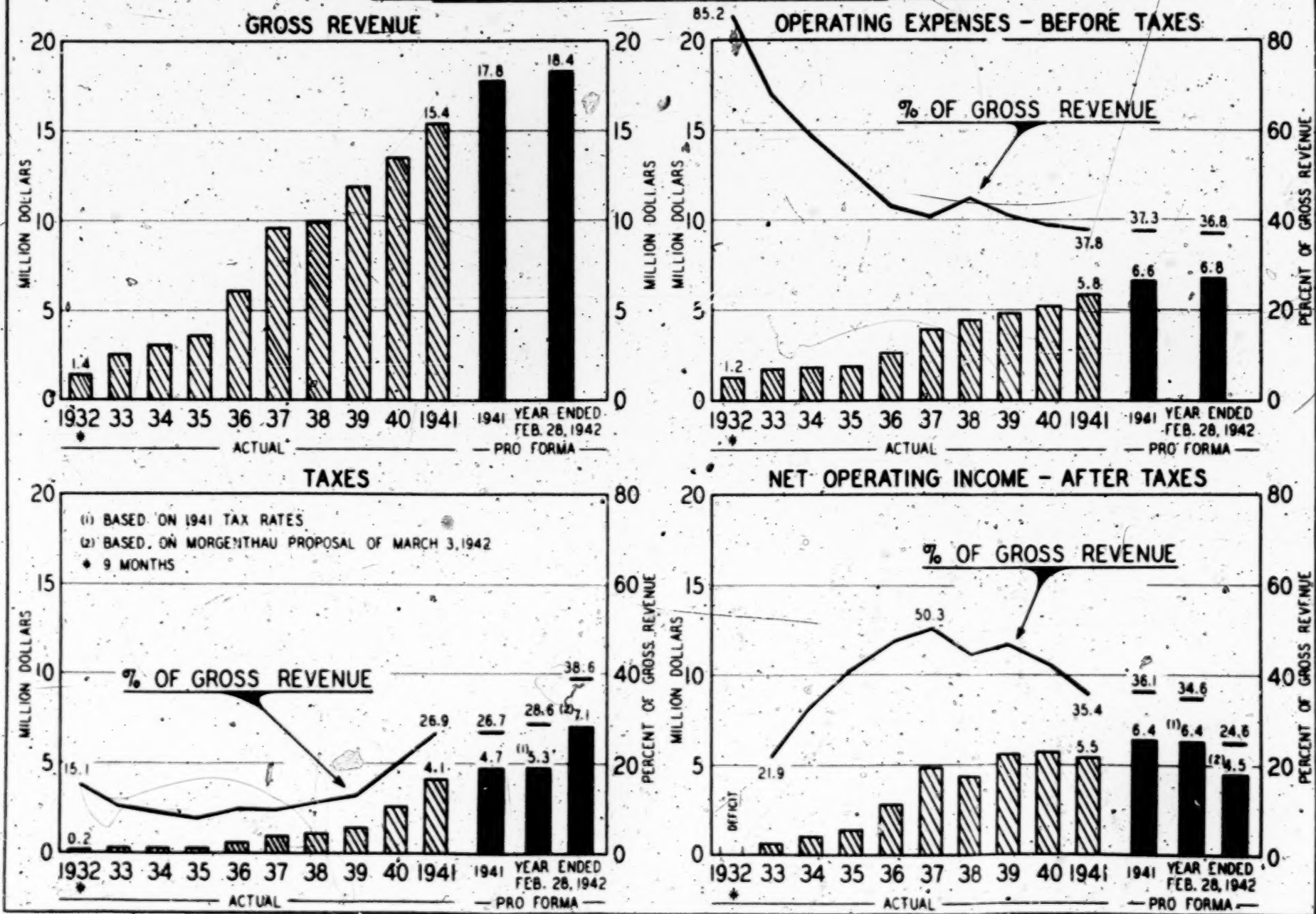
Original Print

Motion filed by City of Detroit and County of Wayne on April 27, 1942 praying that the Federal Power Commission enter an immediate Order reducing Rates	16853	7100
Amendment to Motion for Order reducing Rates filed by Michigan Consolidated Gas Company on April 28, 1942	16860	7104
Statement relating to Excess Return for year 1941 and Reduction of Gross Revenues required to eliminate Excess Return	16865	7107
Excess Return for year 1941, before Adjustment of Claim for Replacements	16866	7107
Rate Base for year 1941	16867	7109
Income Statement — year 1941	16868	7111
Amortization of Investment	16871	7114
Annual Accrual Rate for Amortization of Property as of June 30, 1941	16872	7115
Annual Accrual for Amortization of Property at June 30, 1941	16873	7116
Depletion	16874	7116
Excess Return for year 1941	16875	7117
Rate Base for year 1941	16876	7118
Income Statement — year 1941	16877	7119
Adjustments to 1941 Income Statement for Changes in Operating Expenses not fully effective for Entire Calendar year 1941	16878	7121
Stipulation of Counsel for the various Parties and Federal Power Commission Counsel consenting to withdrawal of Federal Power Commission Counsel's Motion for Immediate Order reducing Rates filed May 11, 1942	16881	7123
Motion of Counsel for Federal Power Commission for Immediate Order reducing Rates filed on May 11, 1942	16882	7125
Opinion Number 86 of Federal Power Commission, Memorandum as to Order of Federal Power Commission reducing Rates, September 23, 1942, Memorandum as to	16892	7133
Petition of Panhandle Eastern Pipe Line Company, Michigan Gas Transmission Corporation and Illinois Natural Gas Company filed October 9, 1942 requesting an extension of time within which to file new Schedules of Rates and Charges	16934	7134
Order of Federal Power Commission of October 12, 1942 granting Extensions of Time to Panhandle Eastern Pipe Line Company, Michigan Gas Transmission Corporation and Illinois Natural Gas Company to file new Schedules of Rates and Charges	16938	7137
Petition of Panhandle Eastern Pipe Line Company, Michigan Gas Transmission Corporation and Illinois Natural Gas Company filed October 23, 1942 for stay of the Federal Power Commission's order of September 23, 1942	16940	7138
Petition of Panhandle Eastern Pipe Line Company, Michigan Gas Transmission Corporation and Illinois Natural Gas Company filed October 23, 1942 requesting a rehearing in Dockets Nos. G-200 and G-207	16944	7141
Order of Federal Power Commission of October 30, 1942 denying Petitions for Rehearing and for Stay in Dockets Nos. G-200 and G-207	16954	7150

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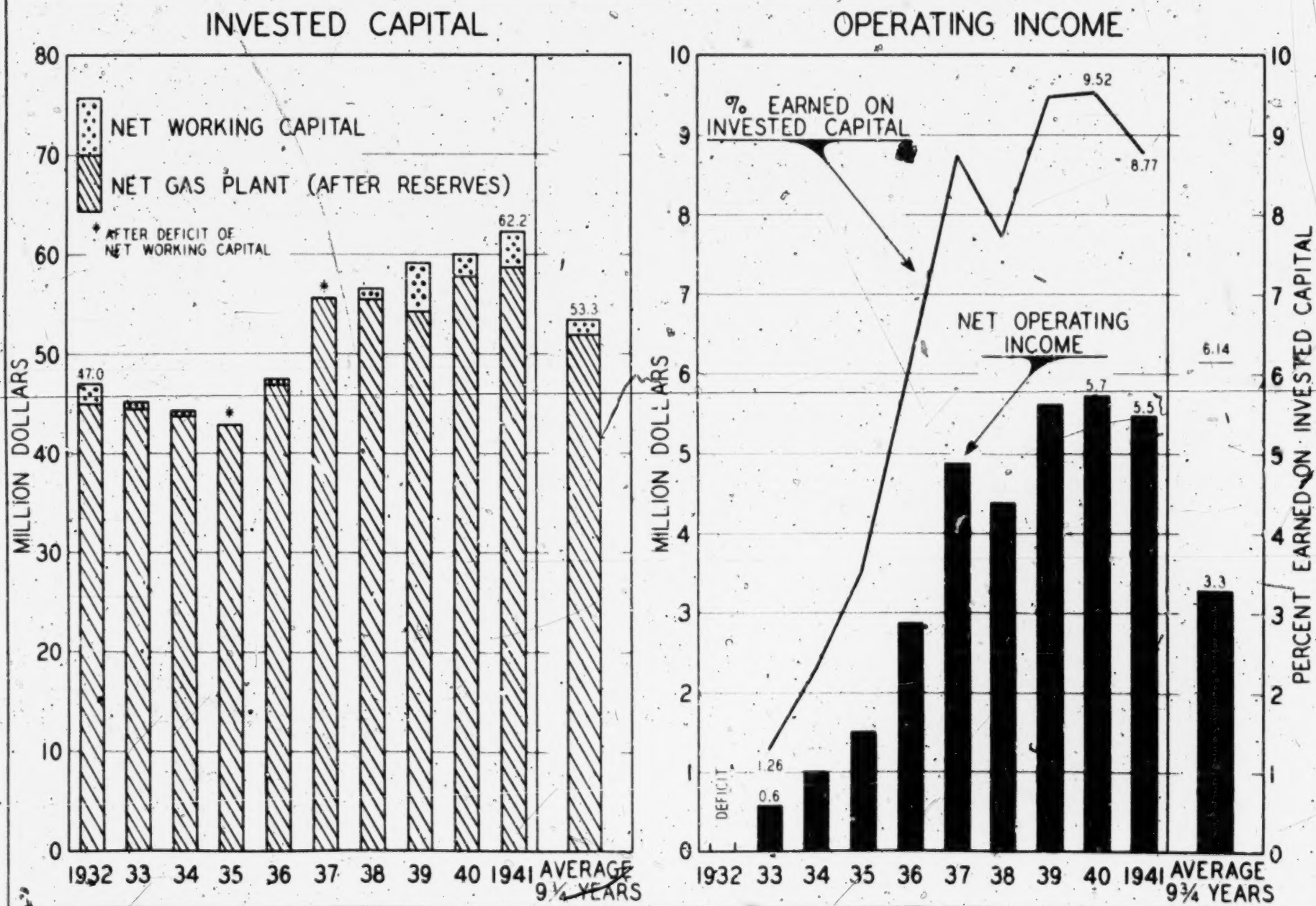
Certificate to Transcript of Federal Power Commission	16955	7151
Order of United States Circuit Court of Appeals directing Respondents to Show Cause why Petition for Stay of Rate Order should not be granted	16986	7179
Order of United States Circuit Court of Appeals denying Petition for Stay of Operation of Rate Order without prejudice, etc.	16987	7180
Order of United States Circuit Court of Appeals granting Stay pending further hearing of application therefor	16988	7181
Order of United States Circuit Court of Appeals granting Stay of Order of Federal Power Commission dated September 23, 1942, requiring reduction in rates and charges for gas furnished by Petitioners, etc.	16989	7182
Order of United States Circuit Court of Appeals appointing John G. Hughes as Custodian of Funds to be impounded under provisions of Stay Order	16991	7184
Order of United States Circuit Court of Appeals as to form of record to be printed and fixing time for filing designations therefor	16992	7185
Order of United States Circuit Court of Appeals instructing Custodian as to manner of handling funds and securities in his possession	16993	7186
Order of United States Circuit Court of Appeals authorizing Custodian to purchase certain securities as investments	16995	7187
Order of United States Circuit Court of Appeals directing Petitioners to pay to Custodian certain sums to cover Bond premium, etc.	16997	7188
Order of United States Circuit Court of Appeals requiring Custodian to set up Account No. 1 and Account No. 2, etc.	16999	7189
Order of United States Circuit Court of Appeals authorizing Custodian to purchase certain securities, etc.	17001	7190
Stipulation that coloring matter appearing on certain Exhibits may be omitted from copies inserted in printed record, etc.	17003	7191
Appearances of Counsel for Petitioners	7193	7193
Appearances of Counsel for Respondents	7195	7194
Order of Submission	7199	7196
Order for Resubmission of Case	7200	7196
Order resetting case for argument	7201	7197
Order of Resubmission	7202	7197
Opinion, U. S. Circuit Court of Appeals	7203	7198
Judgment, U. S. Circuit Court of Appeals	7226	7219
Clerk's Certificate to Transcript	7228	7220
Order allowing certiorari	7230	7221

TREND OF REVENUE AND EXPENSES OF PANHANDLE EASTERN PIPE LINE COMPANY—1932-1941 & PRO FORMA



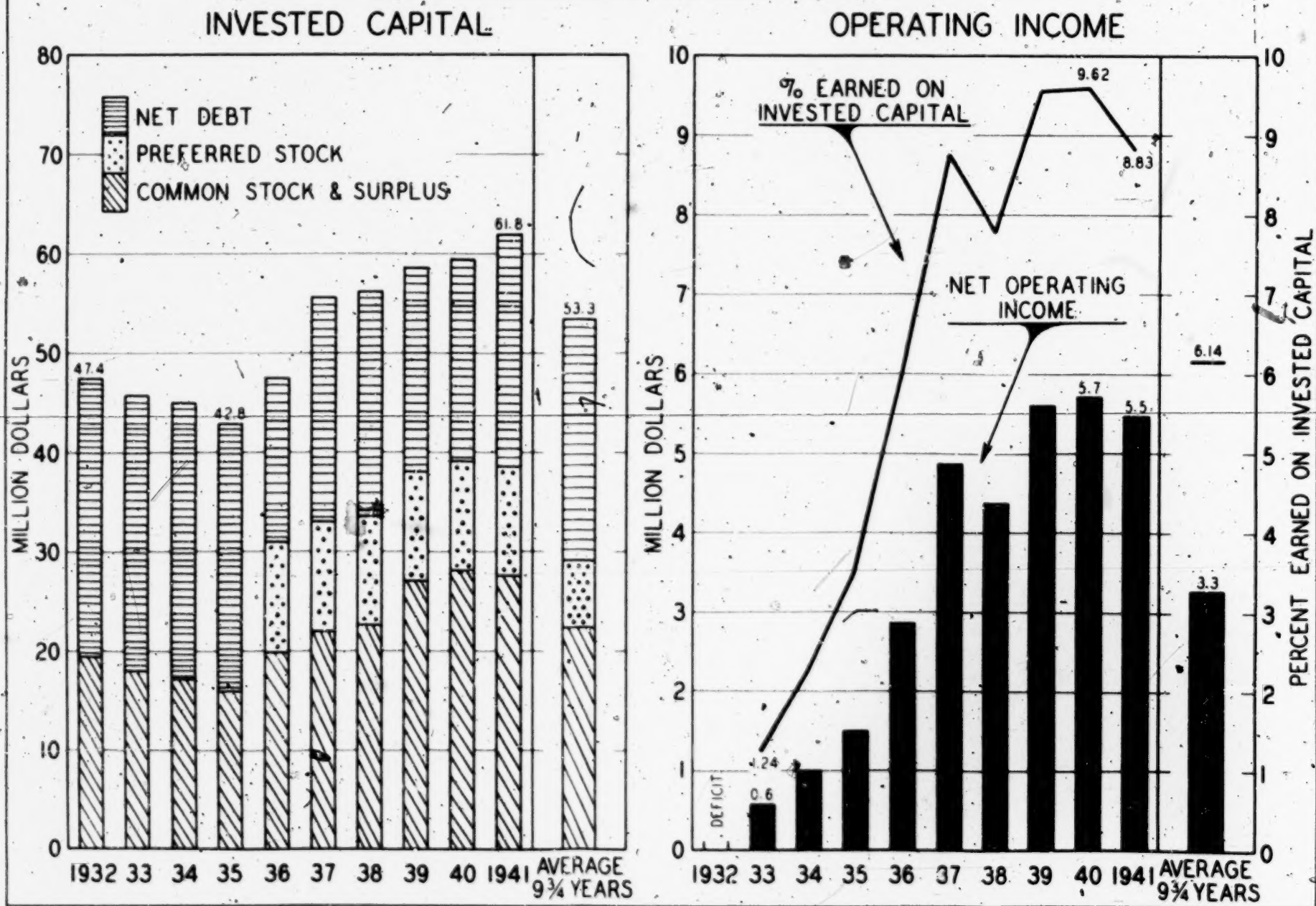
- CHART NO. 3 -

PERCENT EARNED ON INVESTED CAPITAL OF PANHANDLE BASED UPON NET GAS PLANT AND WORKING CAPITAL - 1932-1941



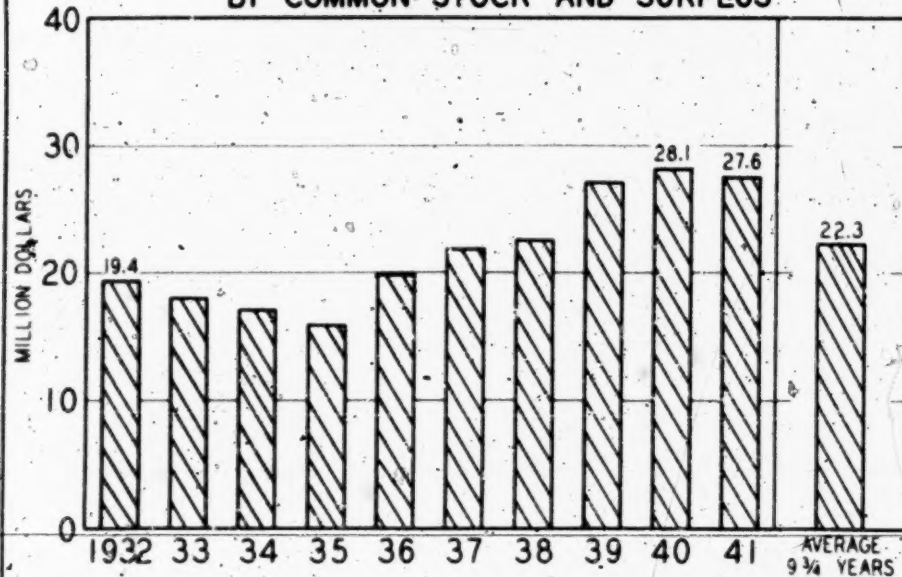
- CHART NO. 4 -

PERCENT EARNED ON INVESTED CAPITAL OF PANHANDLE BASED UPON CAPITAL STRUCTURE.—1932-1941

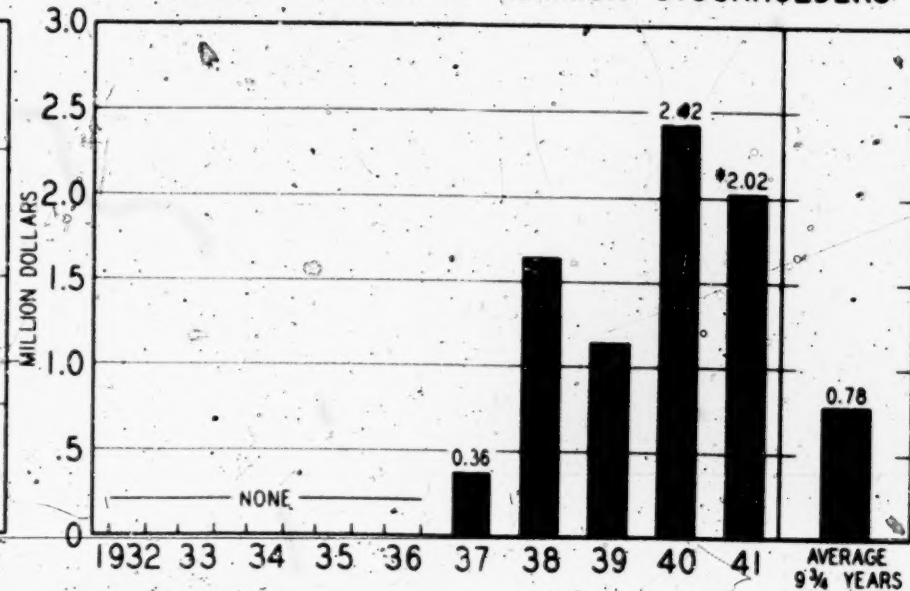


-CHART NO. 5-

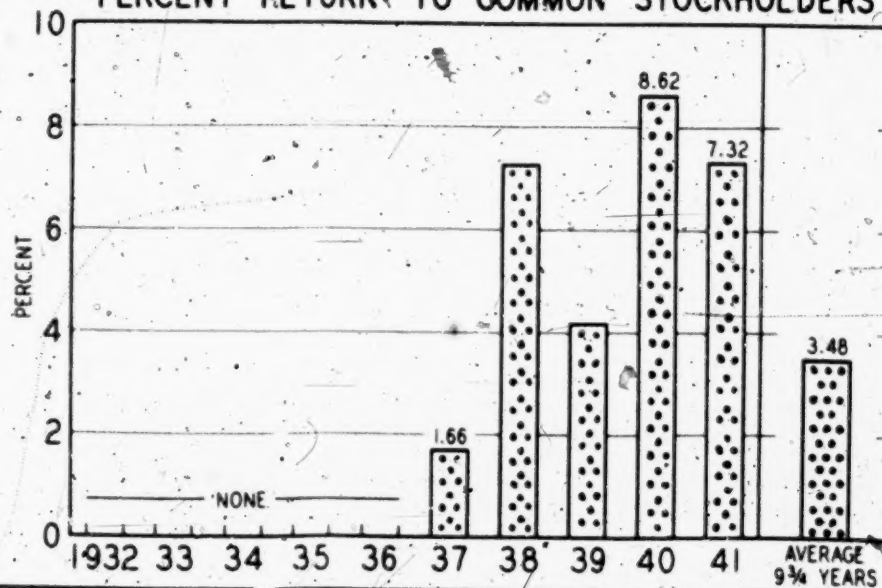
RETURN TO COMMON STOCKHOLDERS OF PANHANDLE EASTERN PIPE LINE COMPANY - 1932-1941

INVESTMENT REPRESENTED
BY COMMON STOCK AND SURPLUS

DIVIDEND RETURN TO COMMON STOCKHOLDERS



PERCENT RETURN TO COMMON STOCKHOLDERS



EXCLUDES DIVIDEND PAID IN STOCK
OF CENTRAL DISTRIBUTING COMPANY

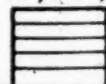
- CHART NO. 6 -

PERCENT EARNED ON INVESTED CAPITAL OF PANHANDLE PRO FORMA FOR 12 MONTHS ENDED FEB. 28, 1942

\$ 78,477,214

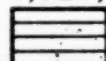
NET WORKING CAPITAL
\$ 6,576,743NET GAS PLANT
\$ 71,900,471INVESTED CAPITAL
AS OF FEB. 28, 1942BASED ON NET PROPERTY,
INTANGIBLES AND WORKING CAPITAL

\$ 6,361,247



NET OPERATING INCOME

\$ 4,526,619



AT 1941 RATES

MORGENTHAU PROPOSAL

MAR. 3, 1942

8.11 %



% EARNED ON INVESTED CAPITAL

5.77 %



AT 1941 RATES

MORGENTHAU PROPOSAL

MAR. 3, 1942

- CHART NO. 7 -

PERCENT EARNED ON INVESTED CAPITAL OF PANHANDLE PRO FORMA FOR 12 MONTHS ENDED FEB. 28, 1942

\$ 77,830,535

LONG TERM DEBT
\$ 33,256,445

PREFERRED STOCK
\$ 16,000,000

COMMON STOCK
AND SURPLUS
\$ 28,574,090

INVESTED CAPITAL
AS OF FEB. 28, 1942

BASED ON CAPITAL STRUCTURE

\$ 6,361,247

\$ 4,526,619

NET OPERATING INCOME

AT 1941 RATES

MORGENTHAU PROPOSAL
MARCH 3, 1942

8.17%

5.81%

% EARNED ON INVESTED CAPITAL

AT 1941 RATES

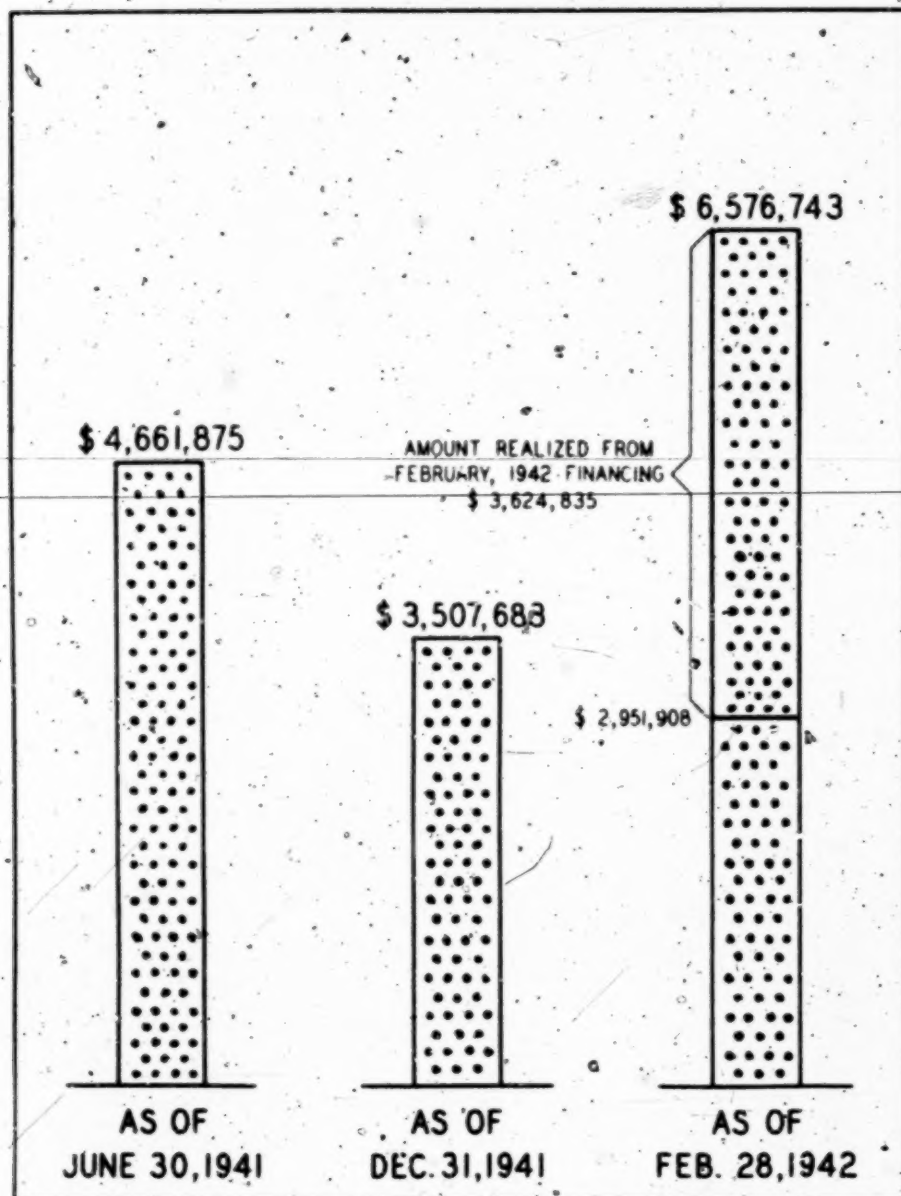
MORGENTHAU PROPOSAL
MARCH 3, 1942

----- BASED ON INCOME FOR 12 MONTHS ENDED FEB. 28, 1942 AFTER FEDERAL TAXES -----

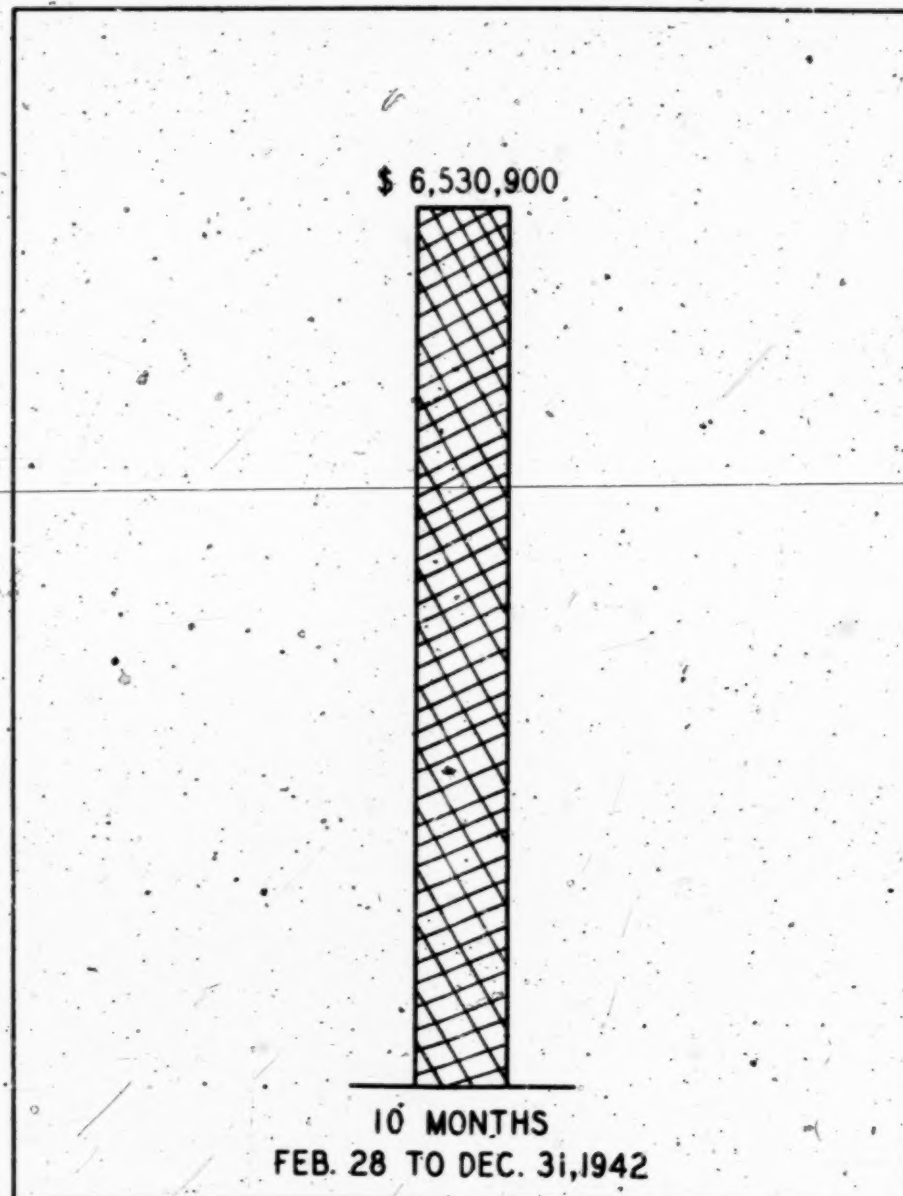
- CHART NO. 8 -

WORKING CAPITAL OF PANHANDLE EASTERN PIPE LINE CO. IS BEING REINVESTED IN FIXED ASSETS

NET WORKING CAPITAL

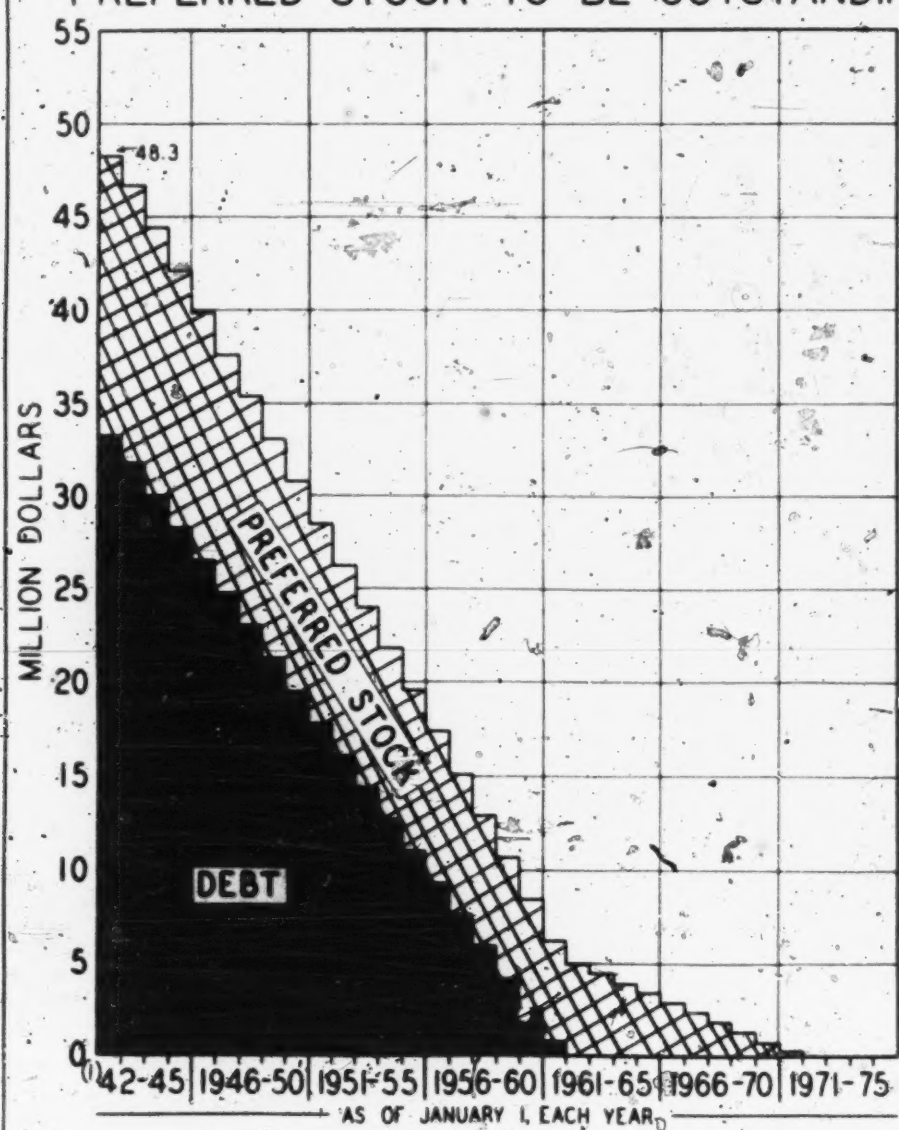


ESTIMATED PLANT EXPENDITURES

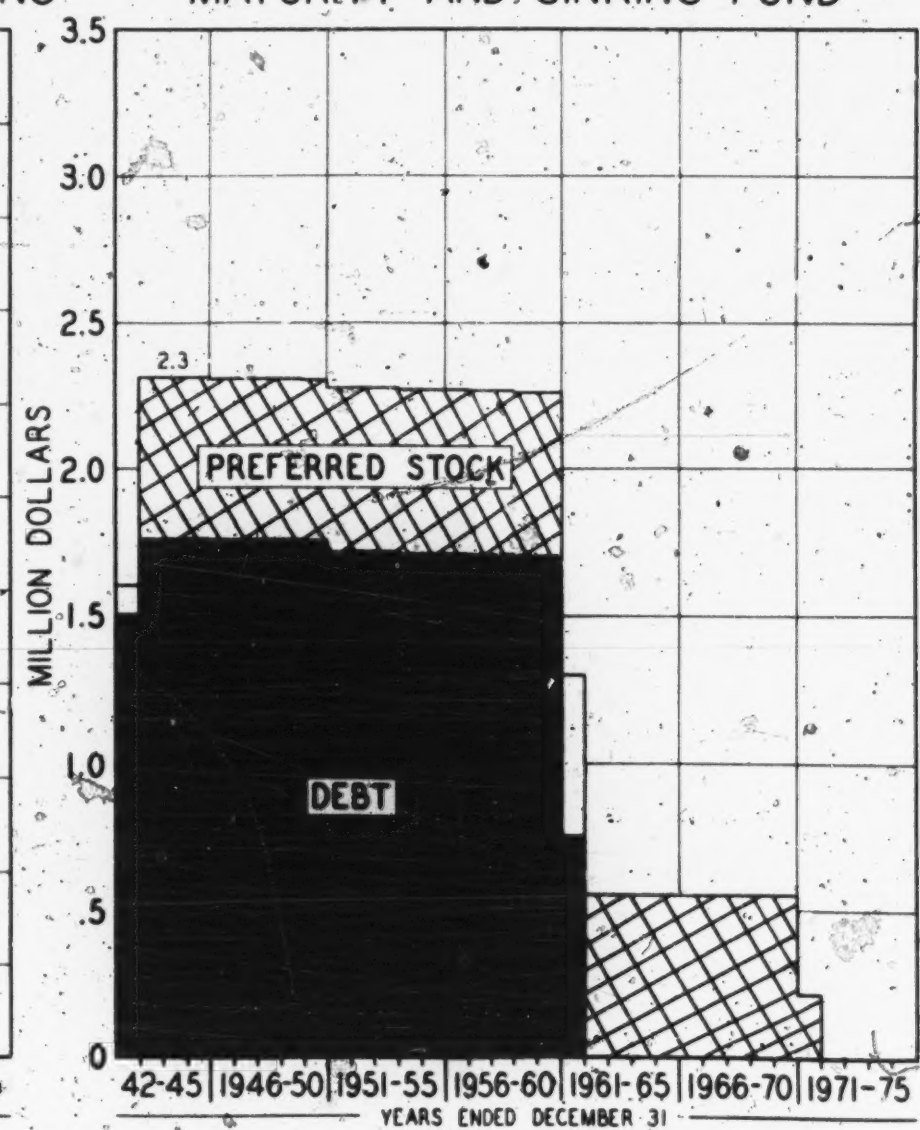


EFFECT OF SINKING FUND AND MATURITY PROVISIONS OF DEBT AND PREFERRED STOCK OF PANHANDLE EASTERN PIPE LINE CO.

(A) SCHEDULE OF DEBT AND PREFERRED STOCK TO BE OUTSTANDING



(A) COST OF RETIREMENTS THROUGH MATURITY AND SINKING FUND



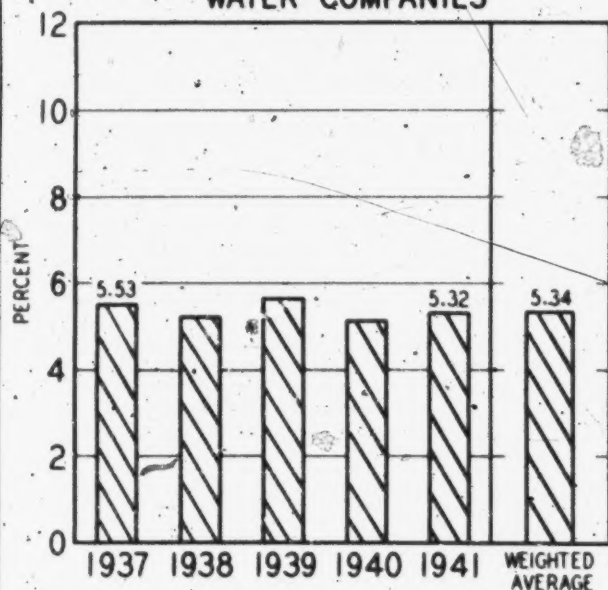
(A) EXCLUDES \$6,445 OF LEASEHOLD PURCHASE OBLIGATIONS AND \$1,000,000 CLASS "B" PREFERRED STOCK

(1) AS OF MARCH 1, 1942

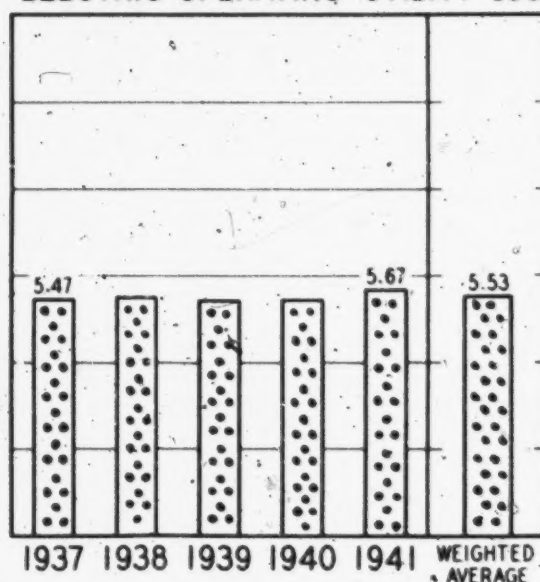
- CHART NO. 10 -

INVESTORS' APPRAISAL OF OVERALL CAPITAL RISKS IN VARIOUS DIVISIONS OF THE UTILITY INDUSTRY—1937-1941

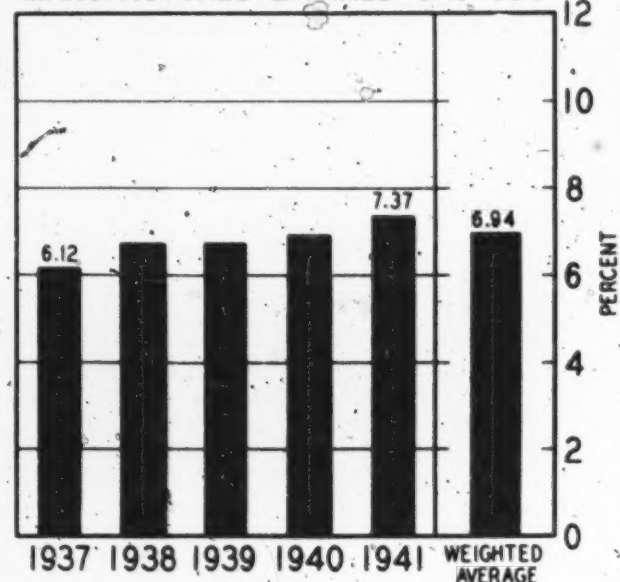
WATER COMPANIES



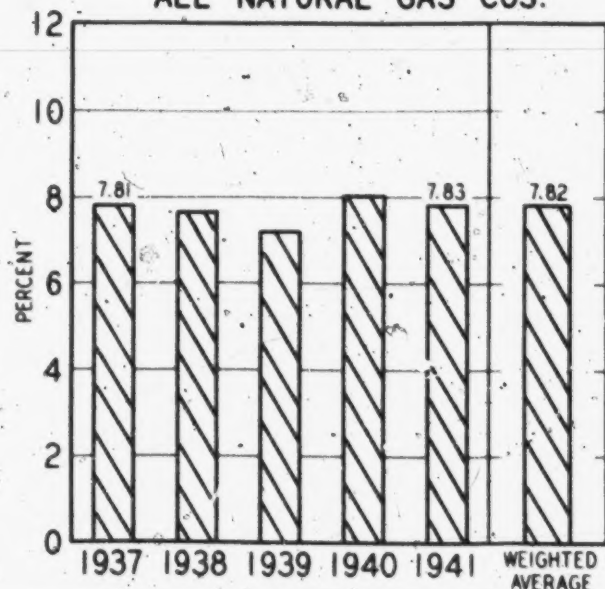
ELECTRIC OPERATING UTILITY COS.



MANUFACTURED & MIXED GAS COS.



ALL NATURAL GAS COS.



NATURAL GAS PIPE LINE COS.

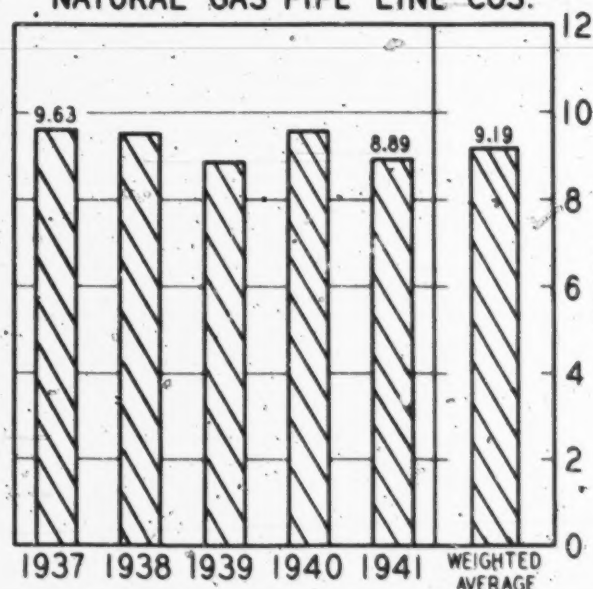
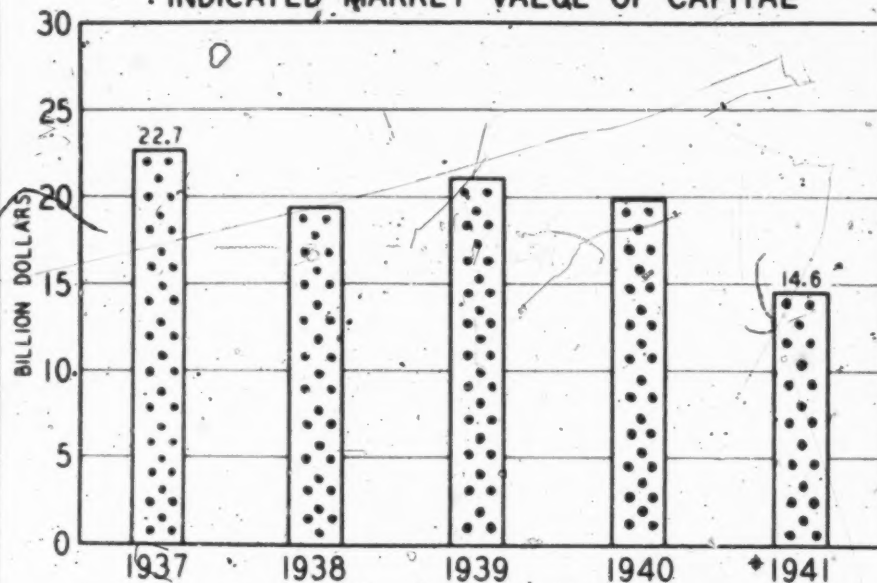


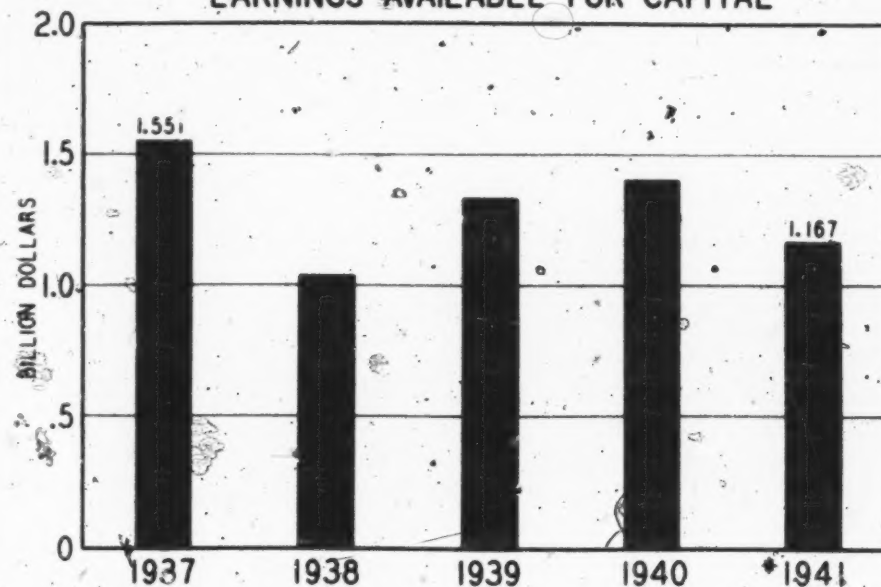
CHART NO. 11 -

INVESTORS' APPRAISAL OF OVERALL CAPITAL RISKS 153 STABLE INDUSTRIAL COMPANIES

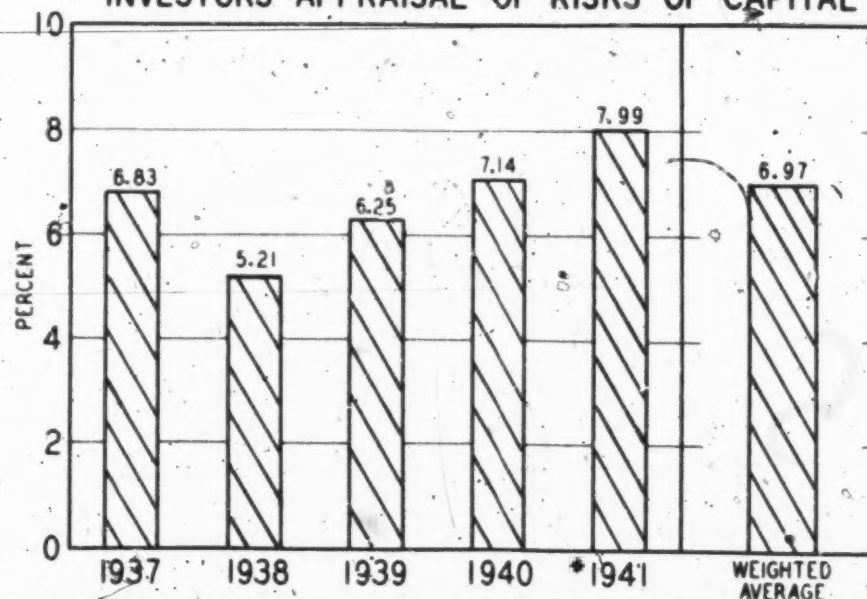
INDICATED MARKET VALUE OF CAPITAL



EARNINGS AVAILABLE FOR CAPITAL



INVESTORS' APPRAISAL OF RISKS OF CAPITAL



*BASED ON 119 COMPANIES FOR WHICH 1941 ANNUAL REPORTS WERE AVAILABLE PRIOR TO APRIL 1, 1942

CHART NO. 12 -

PANHANDLE EASTERN PIPE LINE COMPANY

INVESTED CAPITAL AS OF FEBRUARY 28, 1942

	PRINCIPAL AMOUNT OR SHARES	BOOK VALUE	PER CENT OF TOTAL	(1) MARKET PRICE	MARKET VALUE	PER CENT OF TOTAL
LONG-TERM DEBT						
1ST MTOE. & 1ST LIEN S.P. "C" 3'S, 1962	\$10,000,000	\$10,000,000		(4) 100.75	\$10,075,000	
1ST MTOE. & 1ST LIEN S.P. "B" 3'S, 1960	12,000,000	12,000,000		(5) 101.50	12,180,000	
1ST MTOE. & TRUST LIEN "A", 1.65-2.30%, 1946-50	6,250,000	6,250,000		(2) 100.00	6,250,000	
SERIAL NOTES, A, B, C & D, 0.75-1.50%, DUE 11/1/42-45	5,000,000	5,000,000		(2) 100.00	5,000,000	
LEASEHOLD PURCHASE OBLIGATIONS	6,445	6,445		(3) 100.00	6,445	
TOTAL DEBT		33,256,445	42.73%		33,511,445	45.70%
PREFERRED STOCKS						
5.60% CUM. PFD. \$100 PAR	150,000 SHS.	15,000,000		(5) 100.00	15,000,000	
\$6 CUM. PFD. CLASS "B", NON-PARTICIPATING AND NON-REDEEMABLE	10,000 SHS.	1,000,000		(3) 100.00	1,000,000	
TOTAL PREFERRED STOCKS		16,000,000	20.56%		16,000,000	21.82%
COMMON STOCKS AND SURPLUS						
COMMON STOCK (NO PAR)	807,367 SHS.	20,184,175		(5) 29.50	23,817,326	
PREMIUM AND ASSESSMENT ON CAPITAL STOCK		42,490				
EARNED SURPLUS		8,347,425				
TOTAL COMMON STOCK AND SURPLUS		28,574,090	36.71%		23,817,326	32.48%
TOTAL INVESTED CAPITAL		\$77,830,535	100.00%		\$73,328,771	100.00%

NOTES: (1) BASED UPON MARKET PRICES AS OF APRIL 6, 1942.

(2) PRICES ESTIMATED. SOLD PRIVATELY IN JANUARY 1941 AT 100 TO SEVERAL BANKING INSTITUTIONS AND ONE INSURANCE COMPANY.

(3) PRICE ESTIMATED.

(4) ORIGINAL OFFERING PRICE IN 1942.

(5) PRICE FROM NATIONAL QUOTATION BUREAU.

SOURCE: COMPILED BY STANDARD & POOR'S CORPORATION.

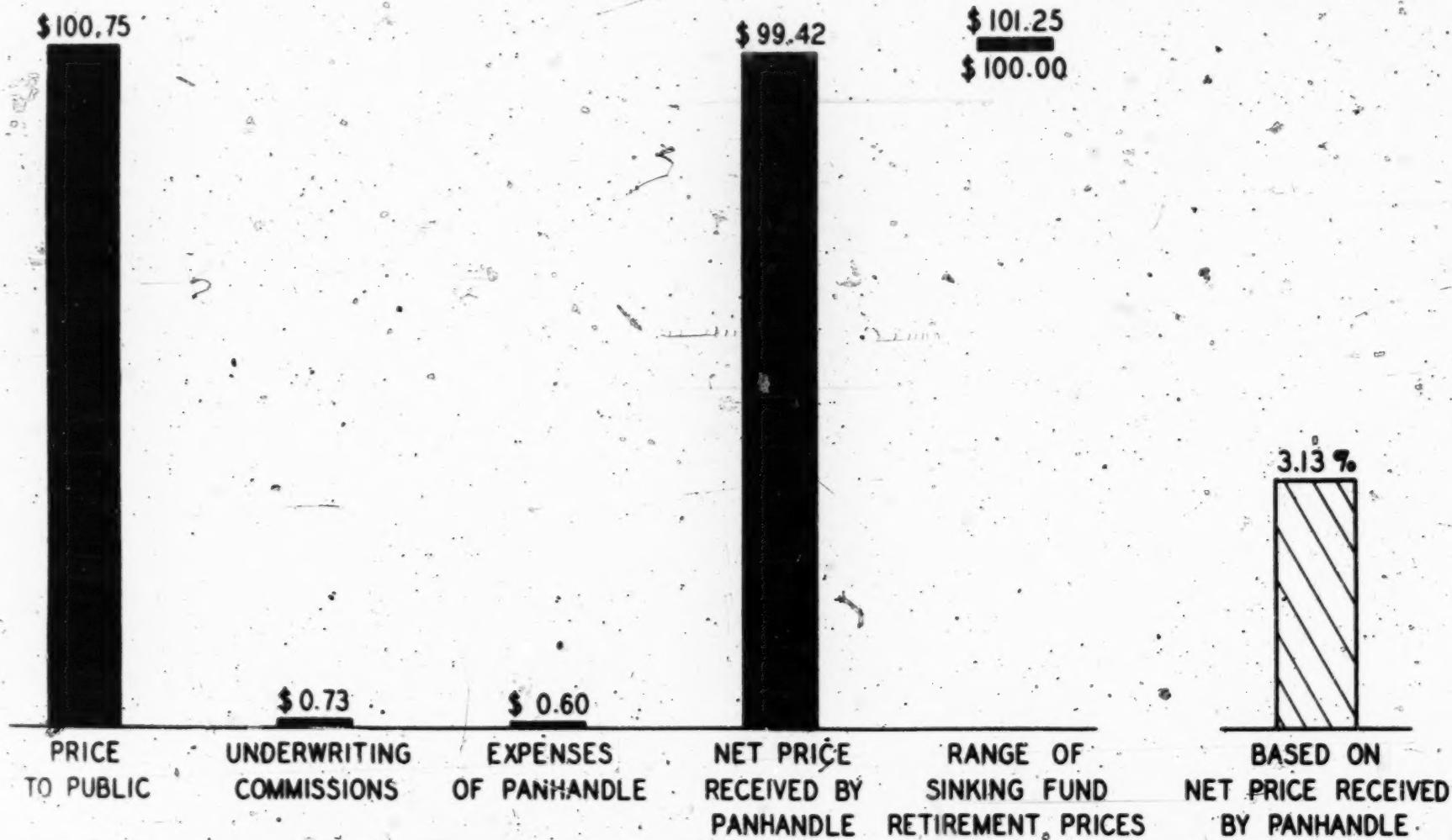
- CHART NO. 13 -

COST OF FINANCING PANHANDLE EASTERN PIPE LINE COMPANY 1ST. LIEN AND 1ST. MORTGAGE SERIES "C" S. F. 3's DUE JAN. 1, 1962

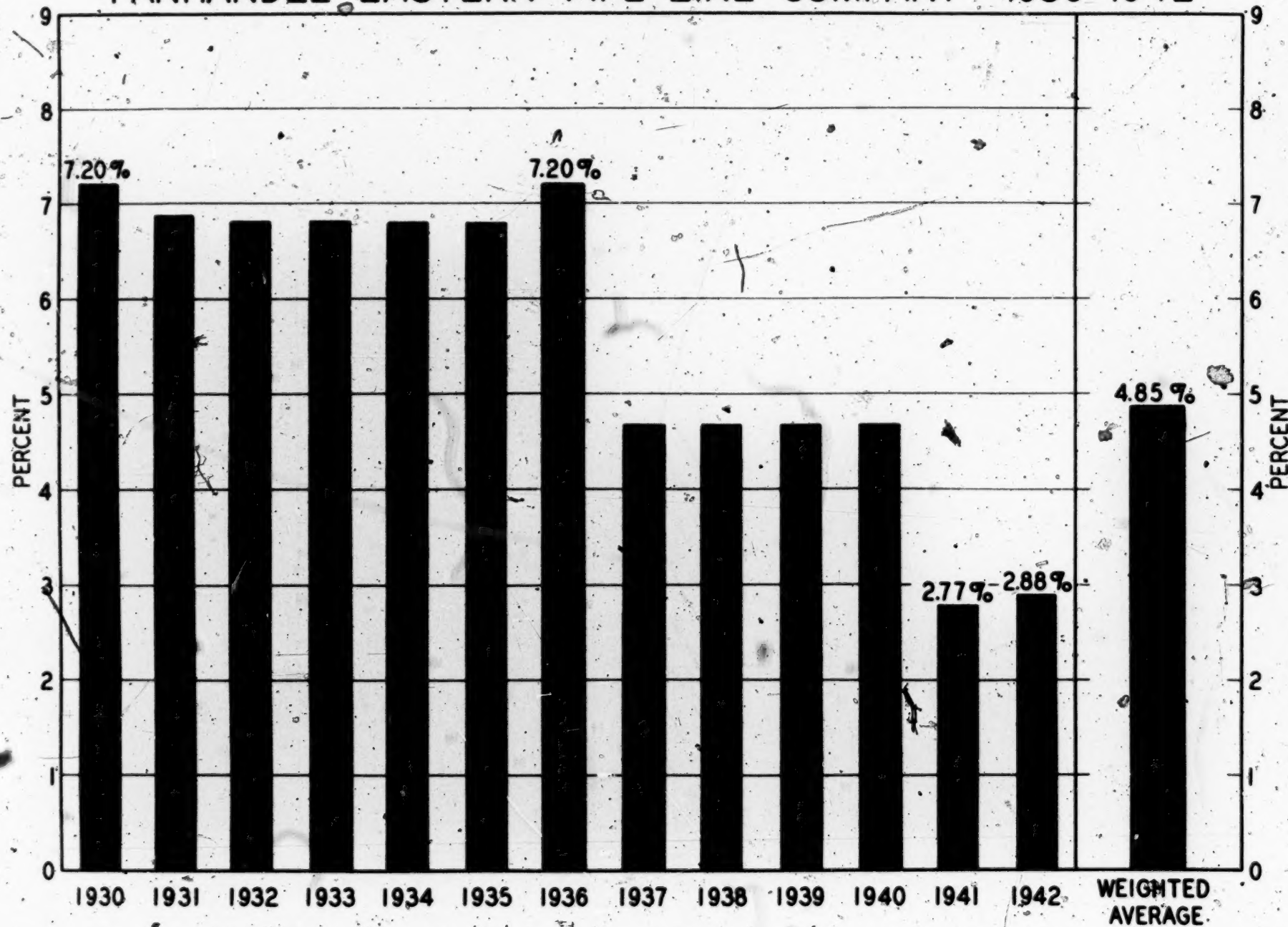
(OFFERED TO PUBLIC ON FEBRUARY 3, 1942)

----- PRICES, COMMISSIONS AND EXPENSES PER SHARE -----

ADJUSTED
YIELD RATE
GIVING EFFECT TO
SINKING FUND REQUIREMENTS



- CHART NO. 14 -

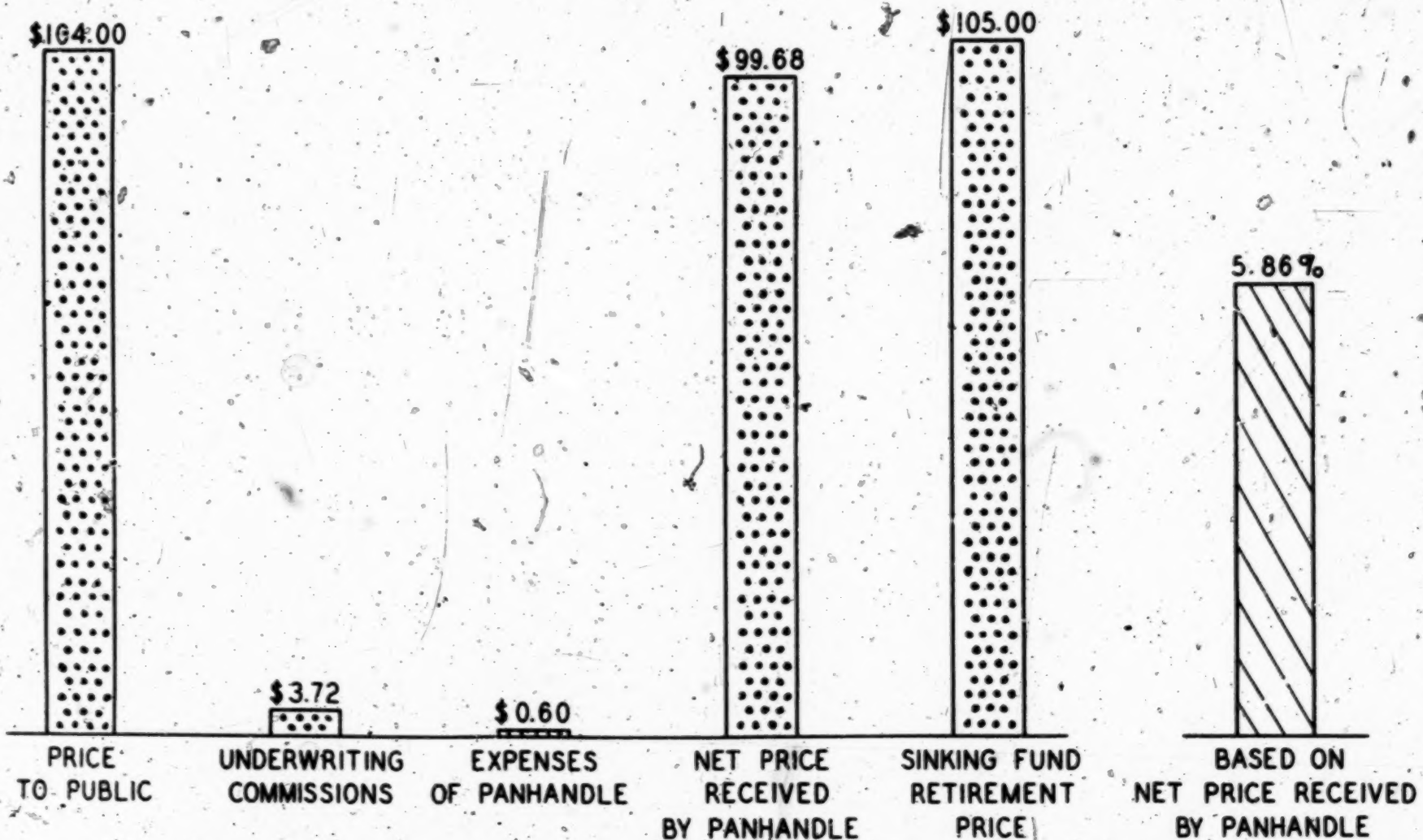
HISTORICAL COSTS OF DEBT CAPITAL OF
PANHANDLE EASTERN PIPE LINE COMPANY - 1930-1942

-CHART NO. 15-

COST OF FINANCING PANHANDLE EASTERN PIPE LINE COMPANY 5.60% PREFERRED STOCK

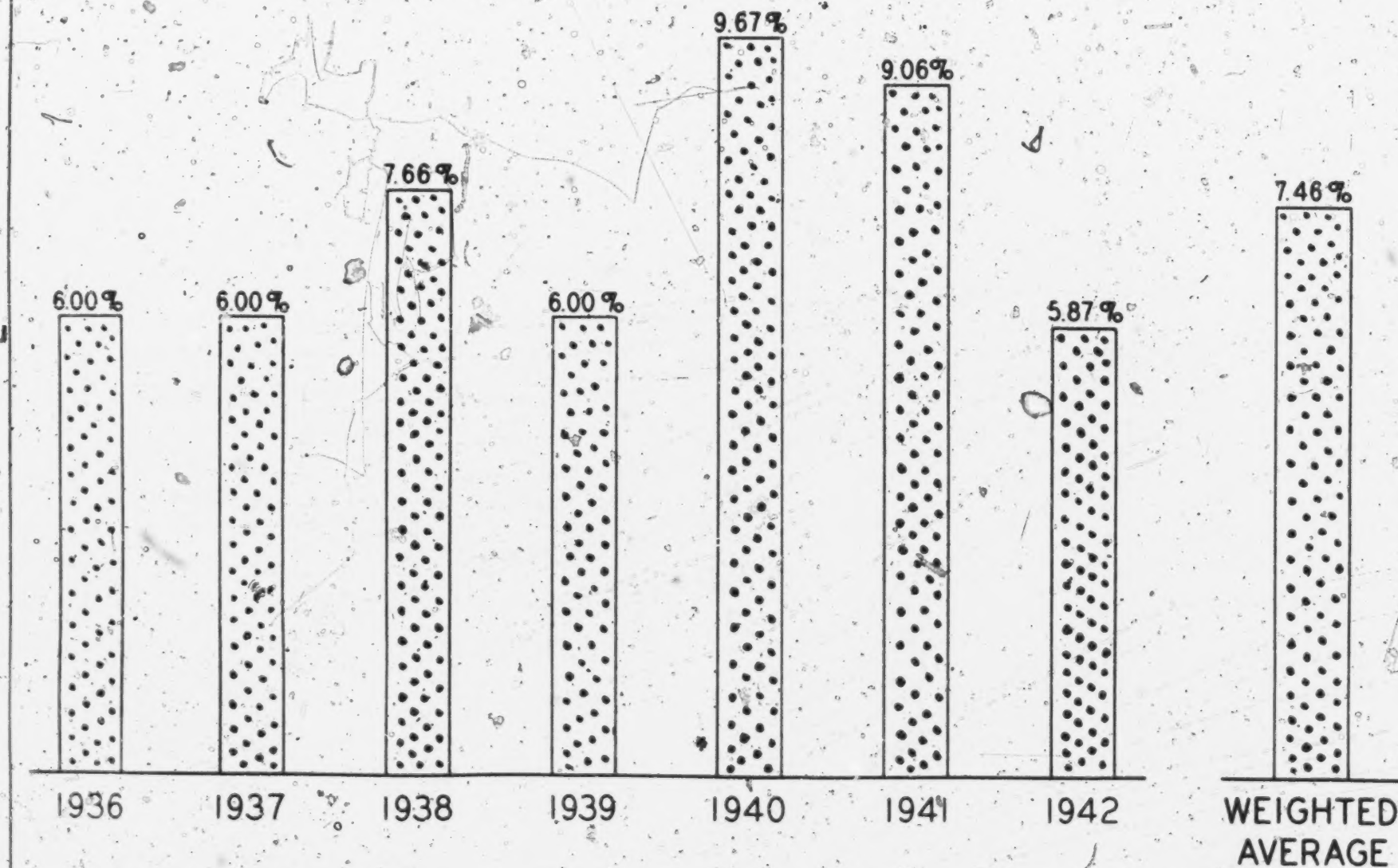
OFFERED TO PUBLIC ON FEBRUARY 3, 1942

-----PRICES, COMMISSIONS AND EXPENSES PER SHARE-----

ADJUSTED
YIELD RATE
GIVING EFFECT TO
SINKING FUND REQUIREMENTS

- CHART NO. 16 -

HISTORICAL COSTS OF PREFERRED STOCK CAPITAL OF PANHANDLE EASTERN PIPE LINE COMPANY — 1936-1942



- CHART NO.17 -

RECORD OF SALES OF PANHANDLE EASTERN PIPE LINE COMPANY 5.60% PREFERRED STOCK TO PUBLIC—FEB. 4 TO MARCH 30, 1942

PUBLIC OFFERING PRICE ——— \$104.00 PER SHARE

REPORT TO DEALERS AND SELLING GROUP MEMBERS

GLORE, PORGAN & CO.
38 WALL STREET
NEW YORK, N. Y.

KIDDER, PEARODY & CO.
17 WALL STREET
NEW YORK, N. Y.

150,000 Shares
PANHANDLE EASTERN PIPE LINE COMPANY
5.60% Cumulative Preferred Stock
(Par Value \$100 Per Share)

To Dealers and Selling Group Members:

It has been our policy to keep you advised of sales progress and we have sent you reports covering certain dates. We again give you below the sales totals as reported to you previously together with the figure of this date.

March 30, 1942

February 4
February 7
February 14
February 19
February 26
March 14
March 30

Reported Sales

74,000 shares
83,000 shares
93,000 shares
97,000 shares
100,000 shares
110,000 shares
115,000 shares

This continued progress, in the face of adverse news, is further evidence to us that this offering will be successfully concluded.

Very truly yours,

GLORE, PORGAN & CO.
KIDDER, PEARODY & CO.

ANALYSIS OF SALES FEBRUARY 4, 1942 TO MARCH 30, 1942

PERIOD	TRADING DAYS (EXCL. SUNDAYS AND HOLIDAYS)	SHARES SOLD DURING EACH PERIOD	DAILY AVERAGE SALES
FEBRUARY			
4	1	74,000	74,000
5-7	3	9,000	3,000
9-14	5	10,000	2,000
15-19	4	4,000	1,000
20-28	7	6,000	857
MARCH			
2-14	12	7,000	583
15-30	13	5,000	385
TOTALS	45	115,000	—

NUMBER OF SHARES
UNSOLD ON APRIL 1, 1942 } ——— 35,000

- CHART NO. 18 -

PRICE TO PUBLIC OF PANHANDLE EASTERN PIPE LINE COMPANY 5.60% PREFERRED STOCK REDUCED ON APRIL 2, 1942

FORMER PRICE - \$104.00 PER SHARE

NEW PRICE \$100.00 PER SHARE

BY DIRECT WIRE FROM
**WESTERN
UNION**

NEW YORK NY APR 1 1942=
STANDARD AND POORS CORP
345 HUDSON ST NYK=
NEW YORK NY

TELEGRAM SENT
TO SELLING GROUP
DEALERS APRIL 1, 1942

THE FOLLOWING IS A COPY OF WIRE SENT TO SELLING GROUP DEALERS TODAY=
QUOTE YOU ARE HEREBY NOTIFIED THAT SELLING AGREEMENT DATED FEBRUARY 4 1942 FOR PANHANDLE EASTERN PIPE LINE COMPANY 5.60% CUMULATIVE PREFERRED STOCK IS TERMINATED EFFECTIVE CLOSE OF BUSINESS APRIL 1 1942 A LIMITED AMOUNT OF SUCH STOCK HAS BEEN MADE AVAILABLE BY CERTAIN OF THE ORIGINAL PURCHASERS FOR OFFERING TO APPROVED DEALERS SUBJECT TO CONFIRMATION BY THE UNDERSIGNED AS REPRESENTATIVES AND TO YOUR AGREEMENT THAT NO SUCH STOCK WILL BE OFFERED BELOW THE PUBLIC OFFERING PRICE ON AND AFTER APRIL 2 1942 THE PUBLIC SHARE WILL BE ALLOWED TO YOU ON STOCK CONFIRMED TO YOU PROVIDED SUCH SHARES ARE NOT REPURCHASED FOR THE ACCOUNT OF THE SEVERAL PURCHASERS IN THE MARKET AT OR BELOW THE PUBLIC OFFERING PRICE OF \$100 FLAT PRIOR TO MAY 15 1942 OR SUCH EARLIER DATE AS WE MAY DETERMINE=
STICKERS FOR ALL PROSPECTUSES USED HEREAFTER MAY BE OBTAINED FROM THE UNDERSIGNED (UNQUOTE)

GLORE FORGAN AND CO=
KIDDER PEABODY AND CO

- CHART NO. 19 -

RECORD OF SALES OF PANHANDLE EASTERN PIPE LINE COMPANY
5.60% PREFERRED STOCK TO PUBLIC - APRIL 2 TO APRIL 10, 1942

PUBLIC OFFERING PRICE ——— \$ 100.00 PER SHARE

NUMBER OF SHARES
UNSOLD ON APRIL 1, 1942
WHEN PRICE WAS REDUCED
FROM \$104.00 TO \$100.00

35,000 SHARES

SHARES SOLD FROM
APRIL 2 TO APRIL 10, 1942
AT REDUCED PRICE OF \$100.00

20,000 SHARES

SHARES UNSOLD ON
APRIL 11, 1942 AFTER
SEVEN TRADING DAYS AT
REDUCED PRICE OF \$100.00

15,000 SHARES

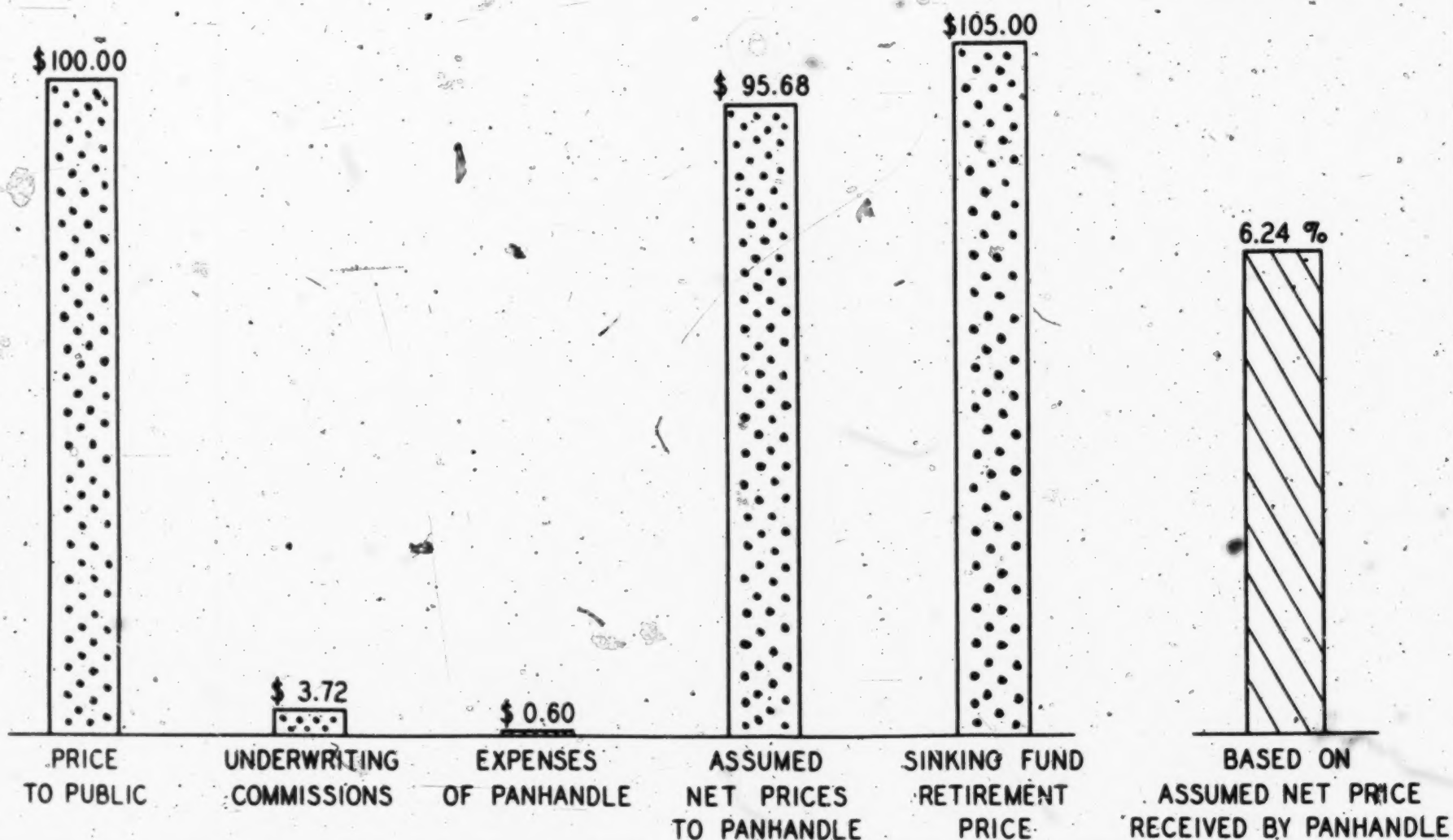
-CHART NO. 20-

ASSUMED COST OF FINANCING PANHANDLE EASTERN PIPE LINE CO. 5.60% PREFERRED STOCK

BASED ON PRESENT PRICE TO PUBLIC OF \$100.00 AND ASSUMED PRICE TO COMPANY OF \$95.68

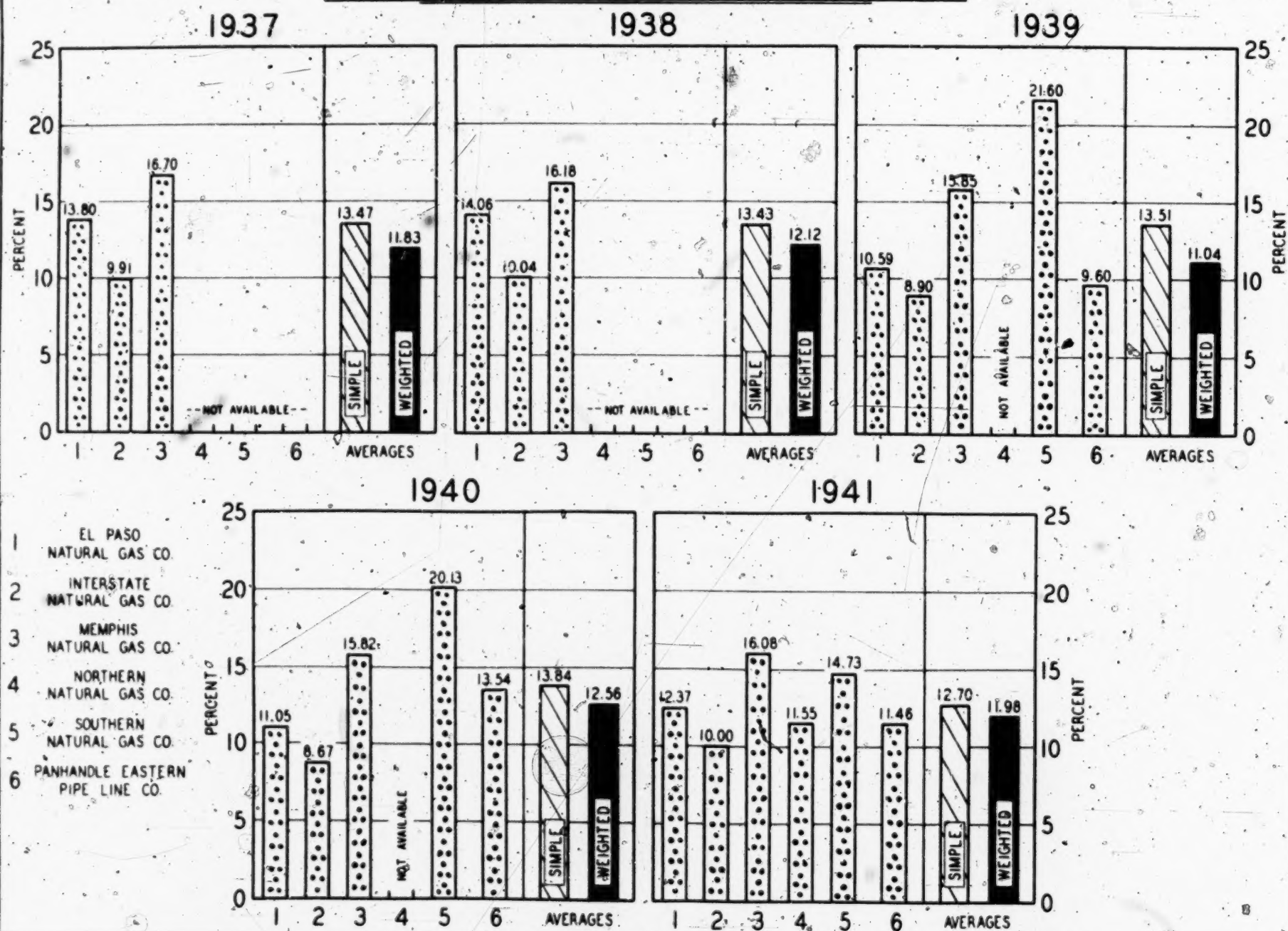
----- PRICES COMMISSIONS AND EXPENSES PER SHARES -----

ADJUSTED
YIELD PRICE
GIVING EFFECT TO
SINKING FUND REQUIREMENTS



- CHART NO. 21 -

EARNINGS-PRICE RATIOS OF NATURAL GAS PIPE LINE COMPANY COMMON STOCKS - 1937-1941

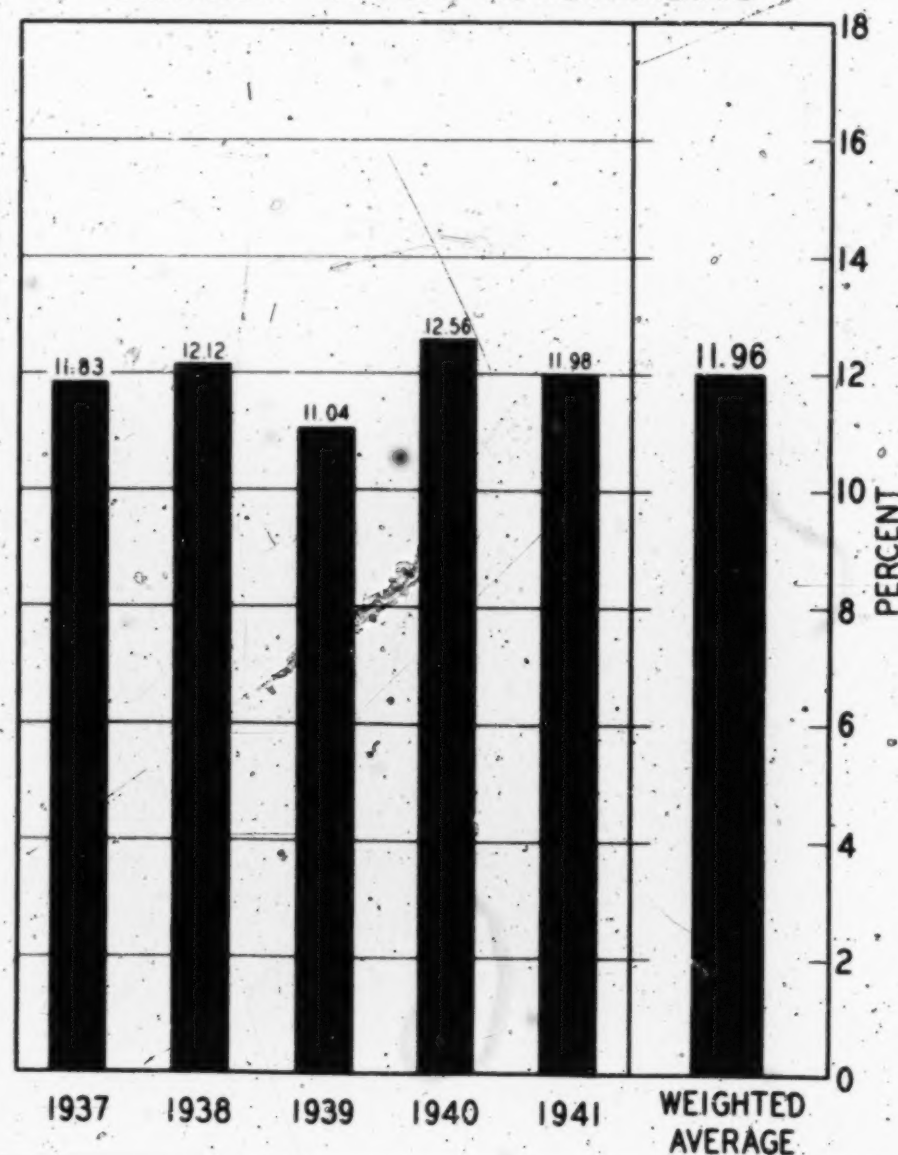
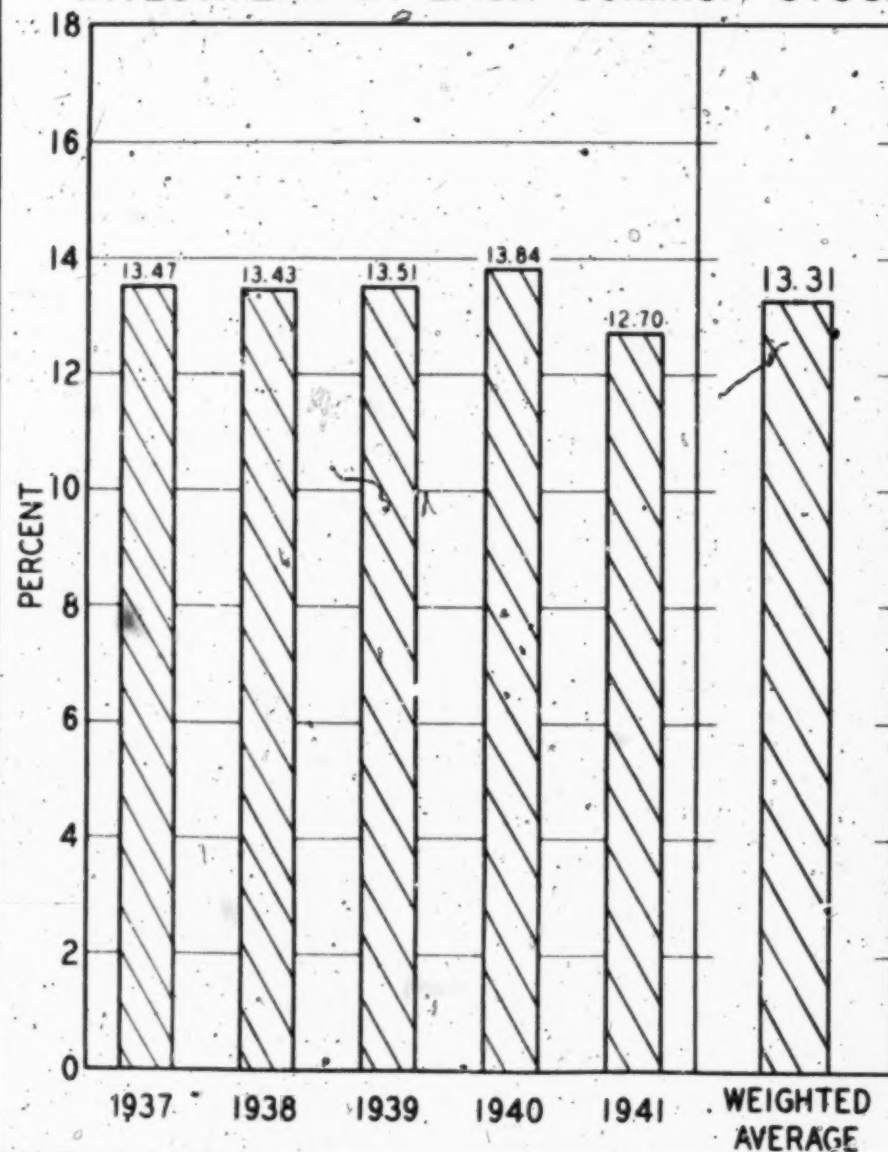


-CHART NO.22-

AVERAGE EARNINGS-PRICE RATIOS OF NATURAL GAS PIPE LINE COMPANY COMMON STOCKS-1937-1941

ASSUMING AN EQUAL DOLLAR
INVESTMENT IN EACH COMMON STOCK

ASSUMING PURCHASE OF ALL
COMMON STOCK OUTSTANDING



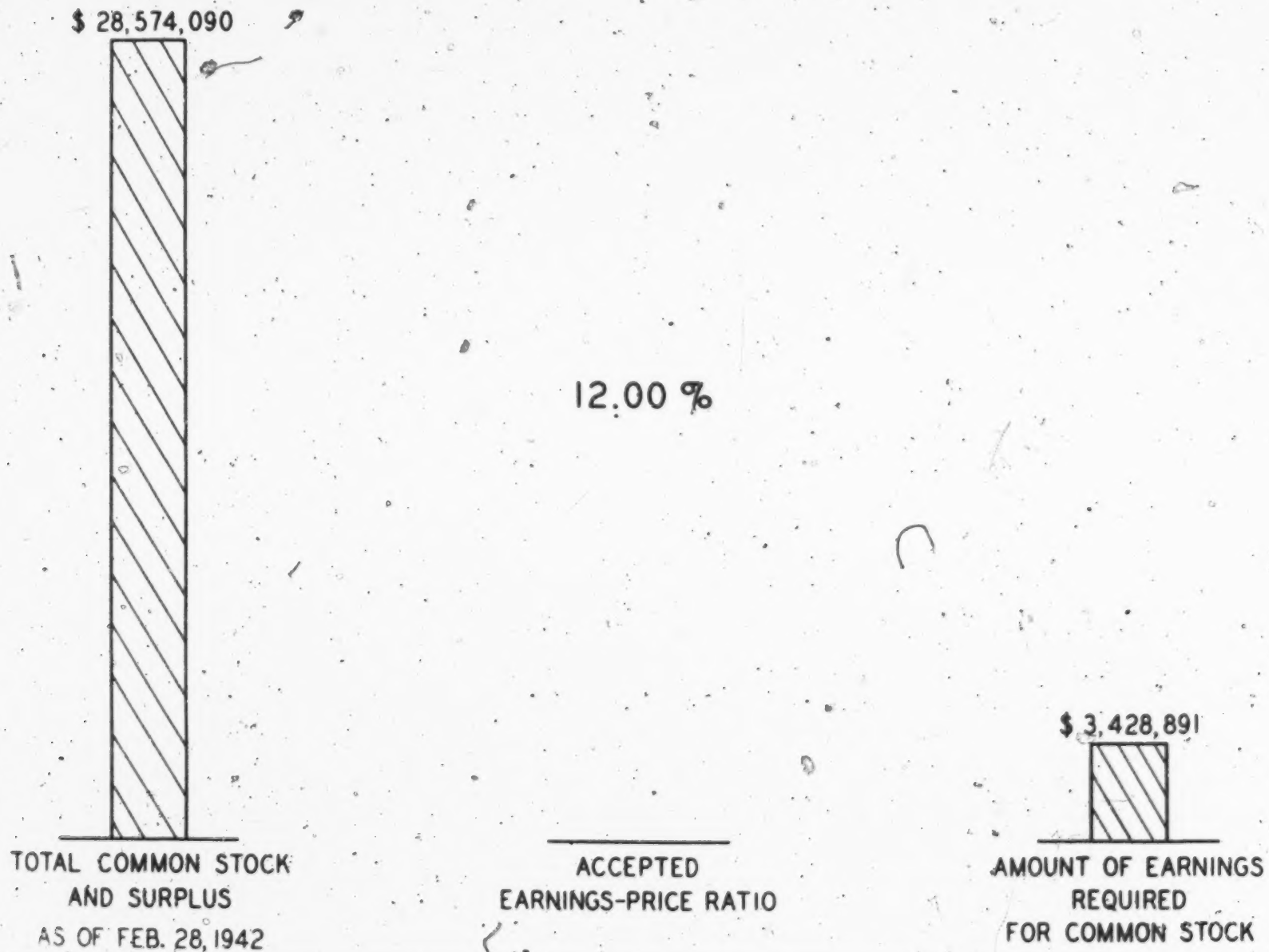
ACCEPTED EARNINGS-PRICE RATIO FOR
PANHANDLE EASTERN PIPE LINE CO. COMMON STOCK

12.00%



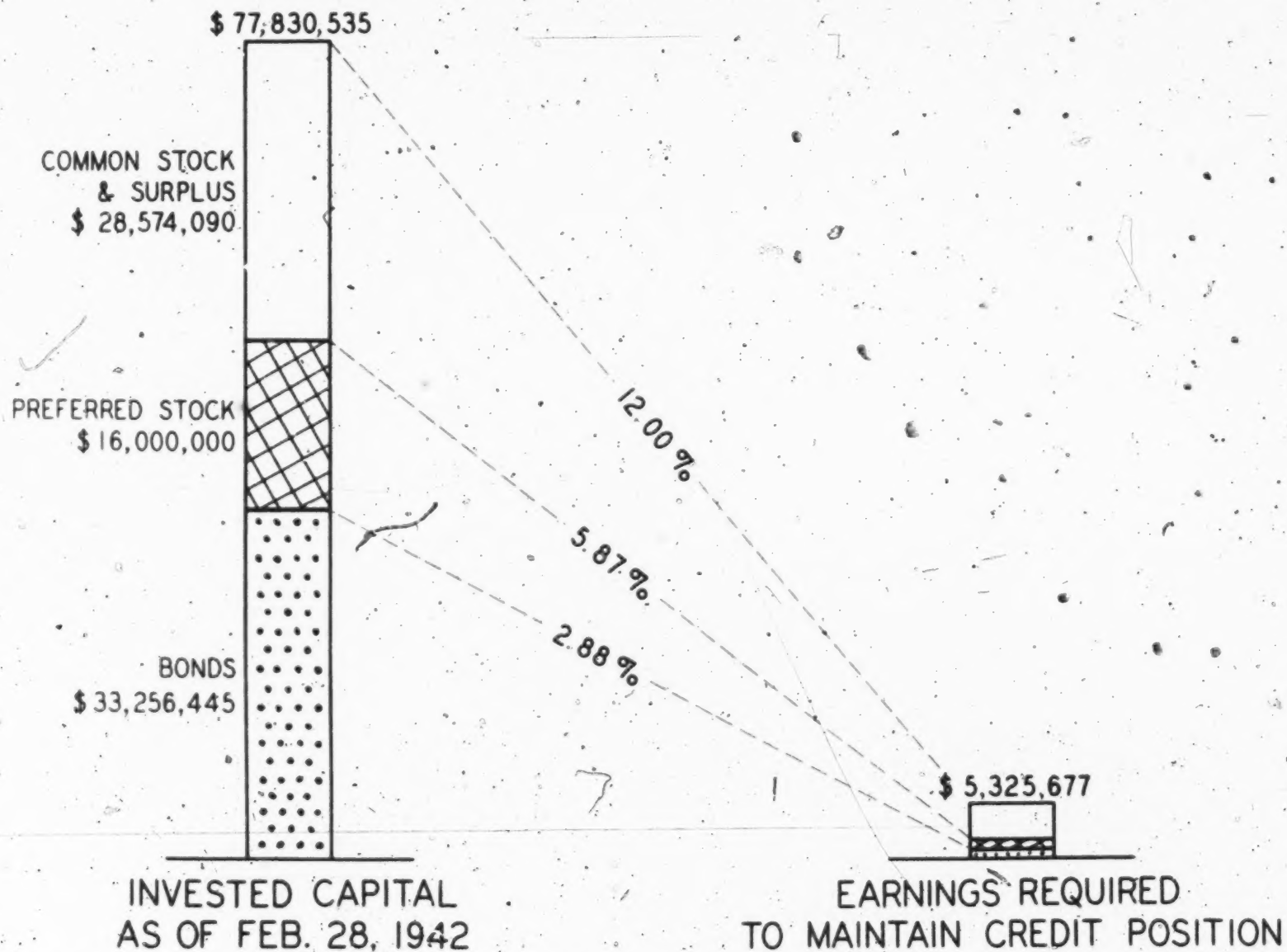
-CHART NO. 24-

MINIMUM EARNINGS REQUIRED FOR COMMON STOCK OF PANHANDLE EASTERN PIPE LINE COMPANY



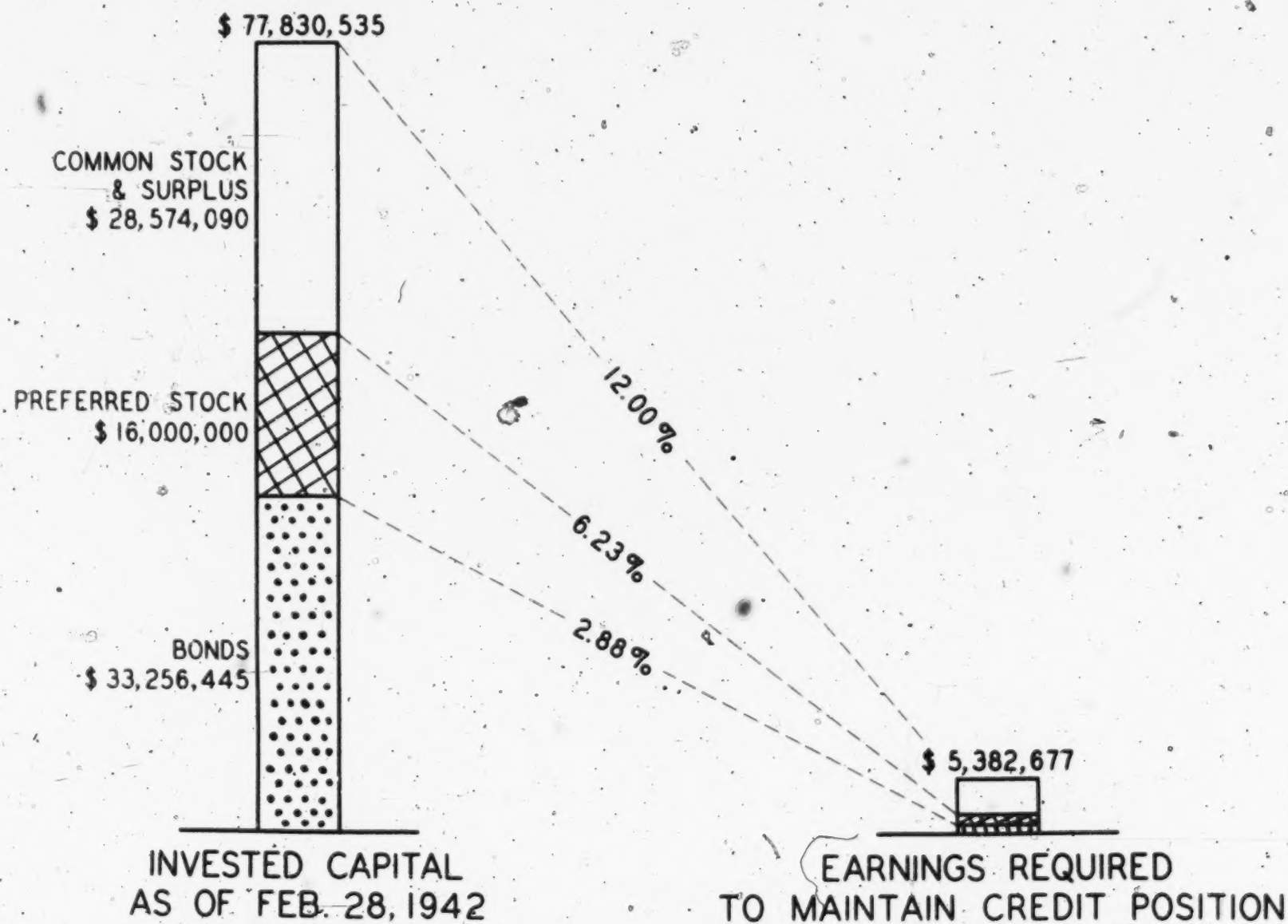
MINIMUM EARNINGS REQUIRED TO MAINTAIN CREDIT POSITION OF PANHANDLE EASTERN PIPE LINE COMPANY

BASED ON ACTUAL COST OF BONDS AND PREFERRED STOCK AND INVESTORS' APPRAISAL OF COMMON STOCK



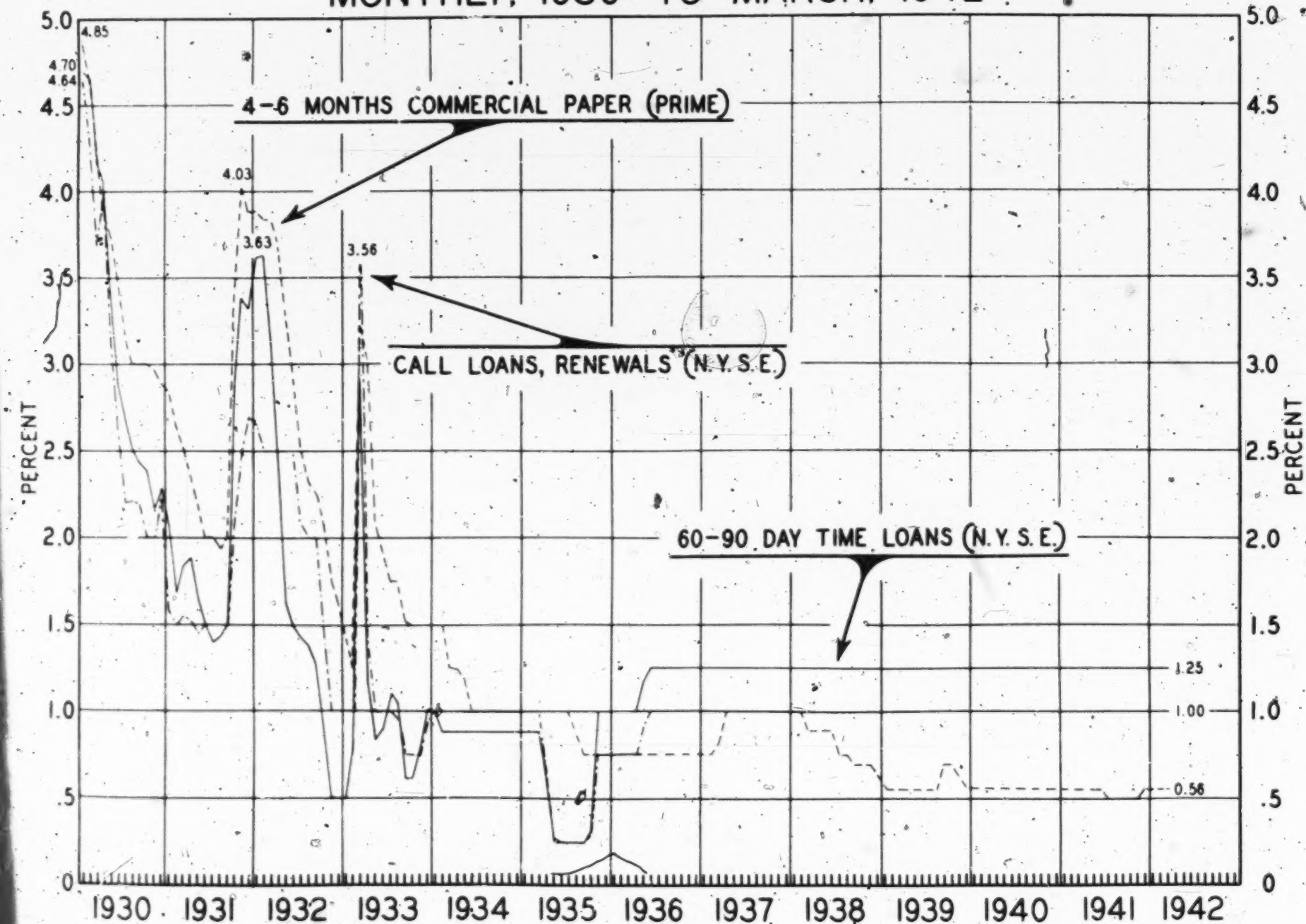
MINIMUM EARNINGS REQUIRED TO MAINTAIN CREDIT POSITION OF PANHANDLE EASTERN PIPE LINE COMPANY

BASED ON ACTUAL COST OF BONDS AND INVESTORS' APPRAISAL OF PREFERRED AND COMMON STOCK

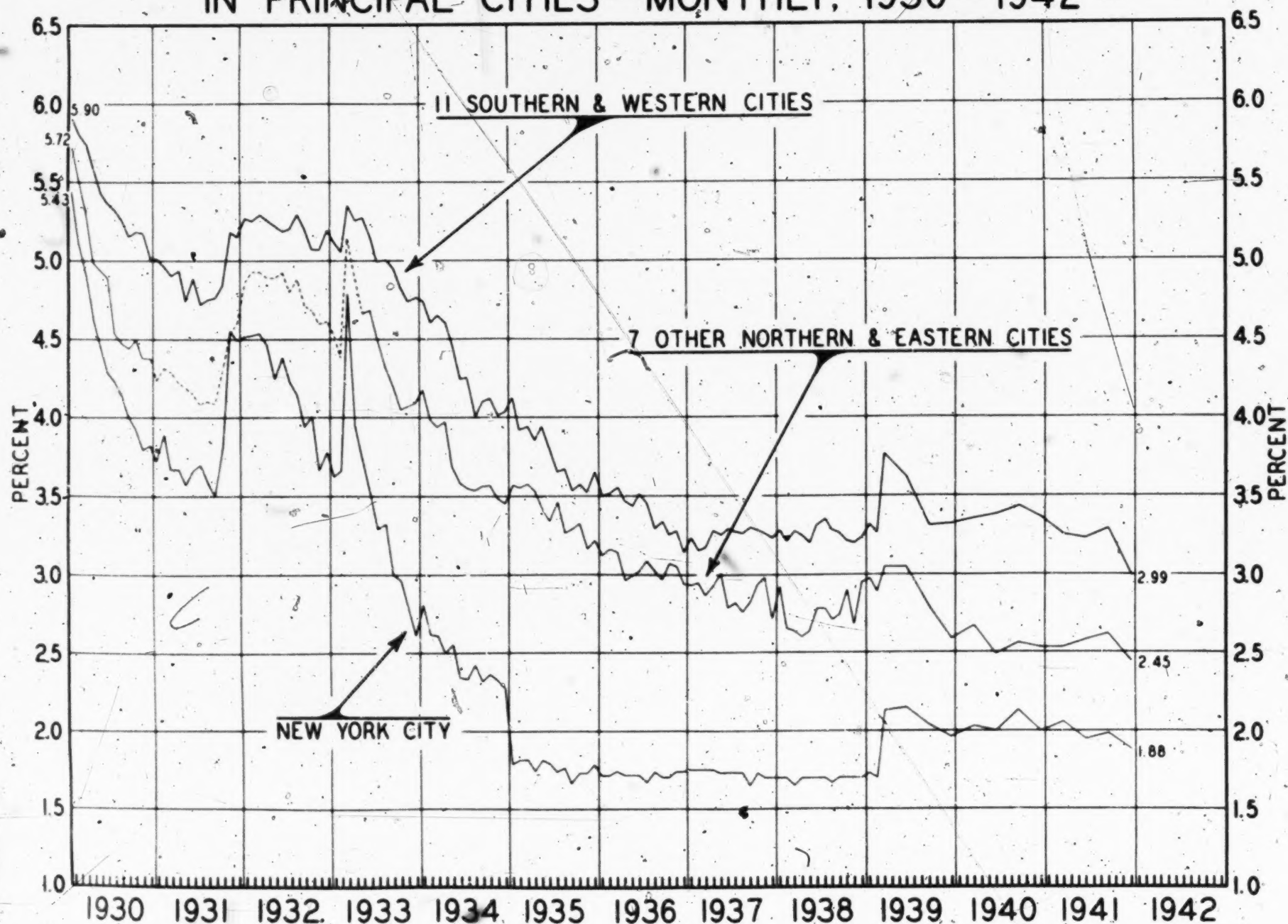


- CHART NO. 27 -

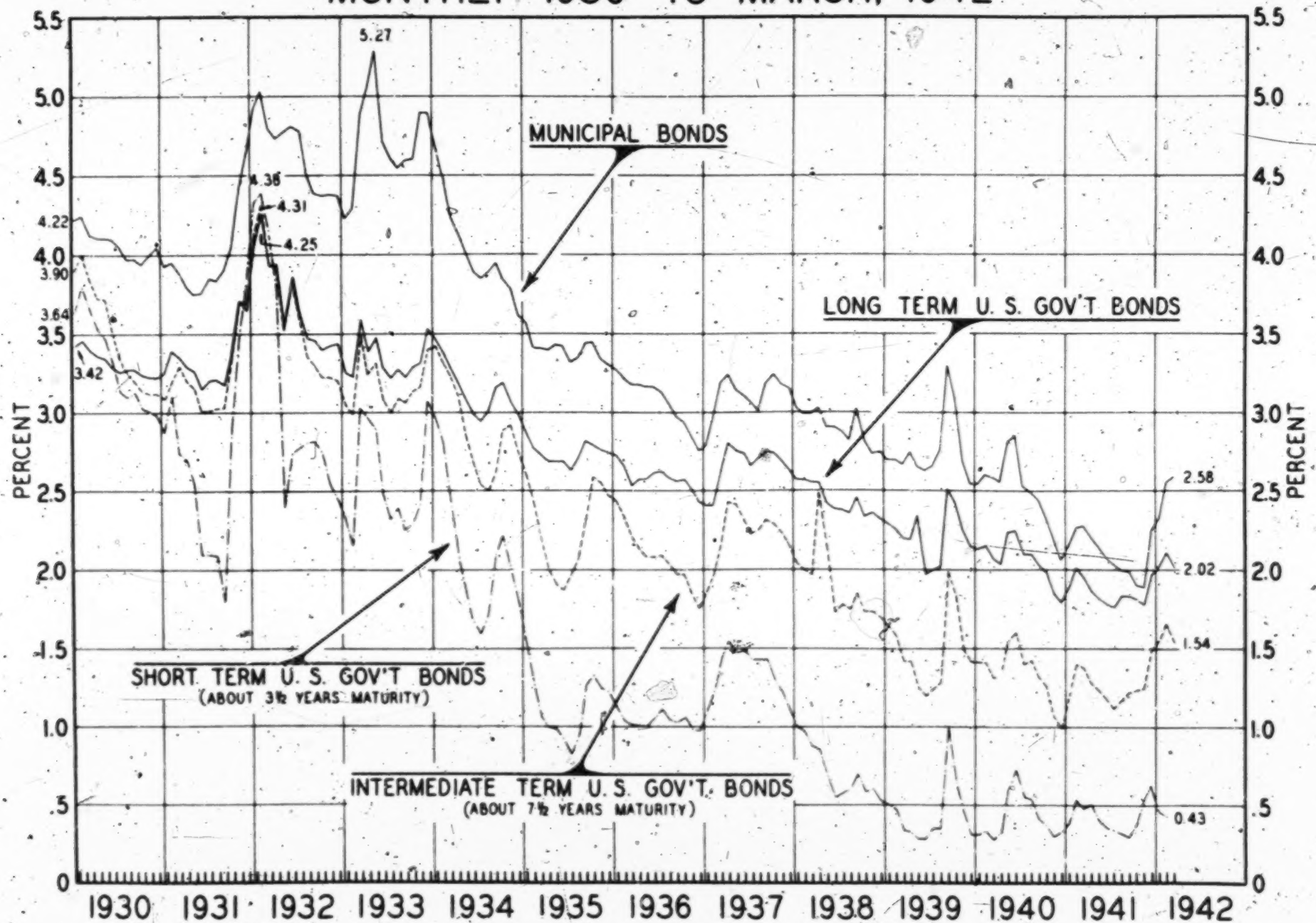
PRIME MONEY RATES MONTHLY, 1930 TO MARCH, 1942



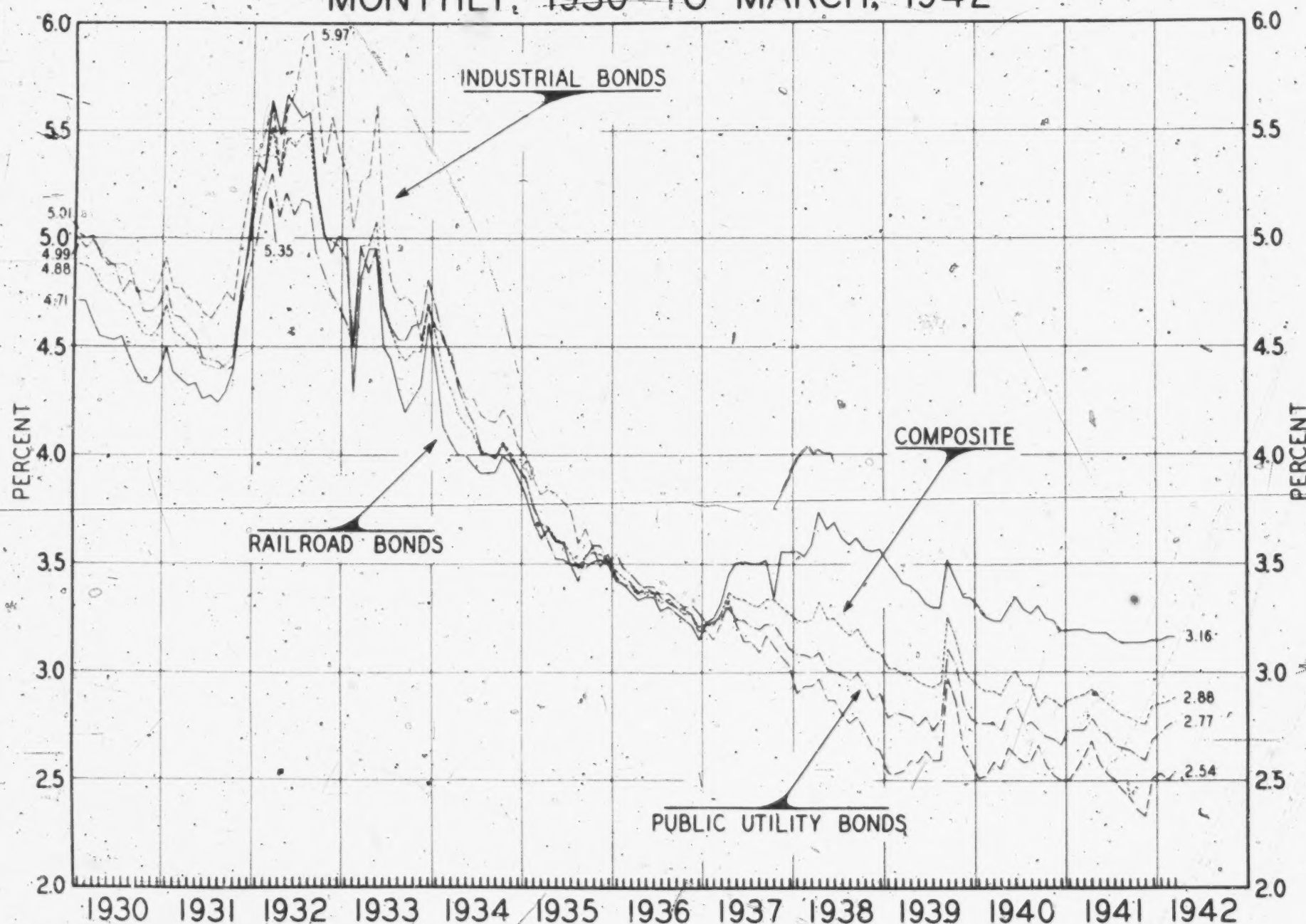
- CHART NO. 28 -

COMMERCIAL LOAN RATES CHARGED CUSTOMERS BY BANKS
IN PRINCIPAL CITIES - MONTHLY, 1930 - 1942

-CHART NO. 29-

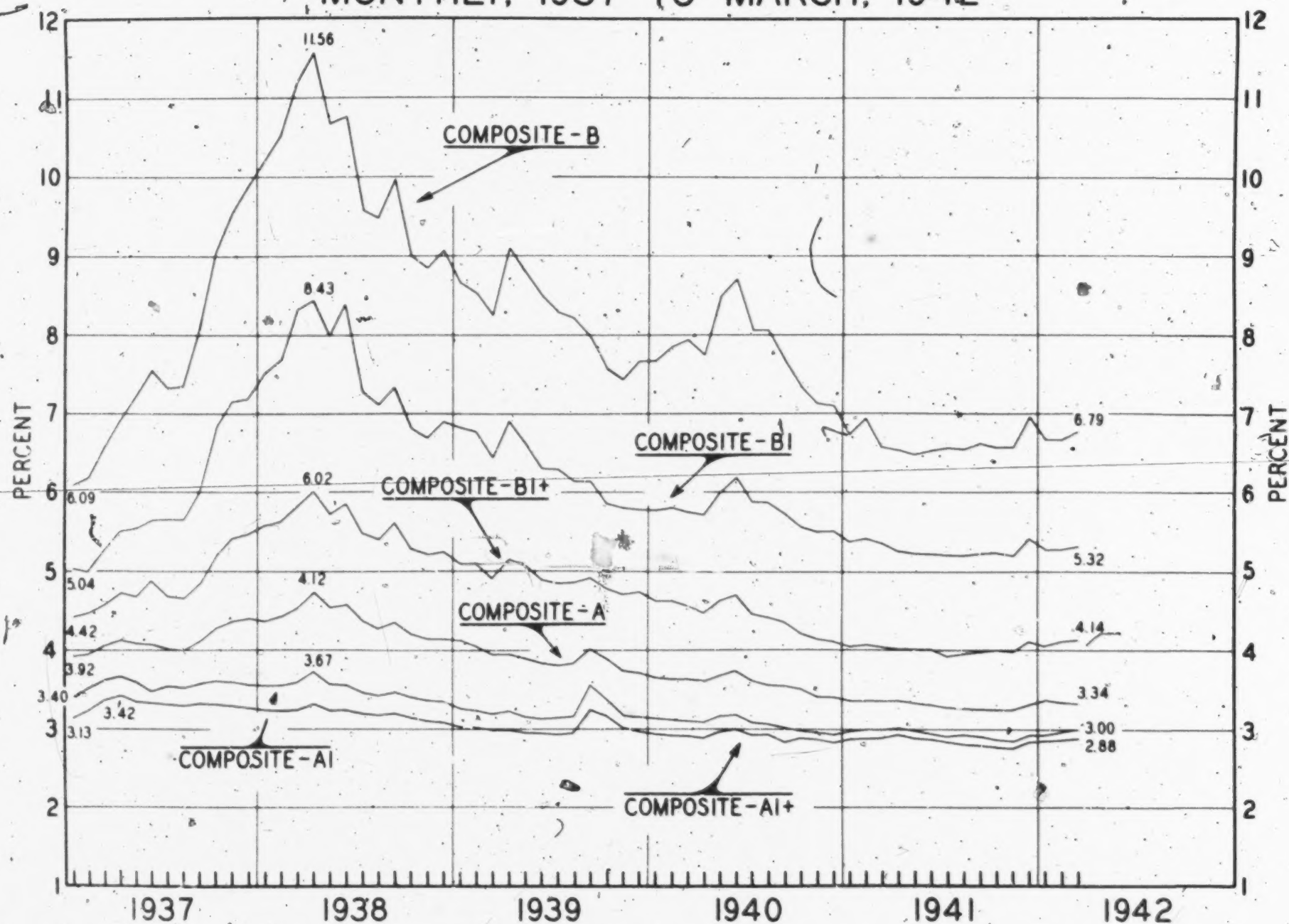
YIELDS ON U. S. GOVERNMENT & HIGH GRADE MUNICIPAL BONDS
MONTHLY 1930 TO MARCH, 1942

-CHART NO. 30-

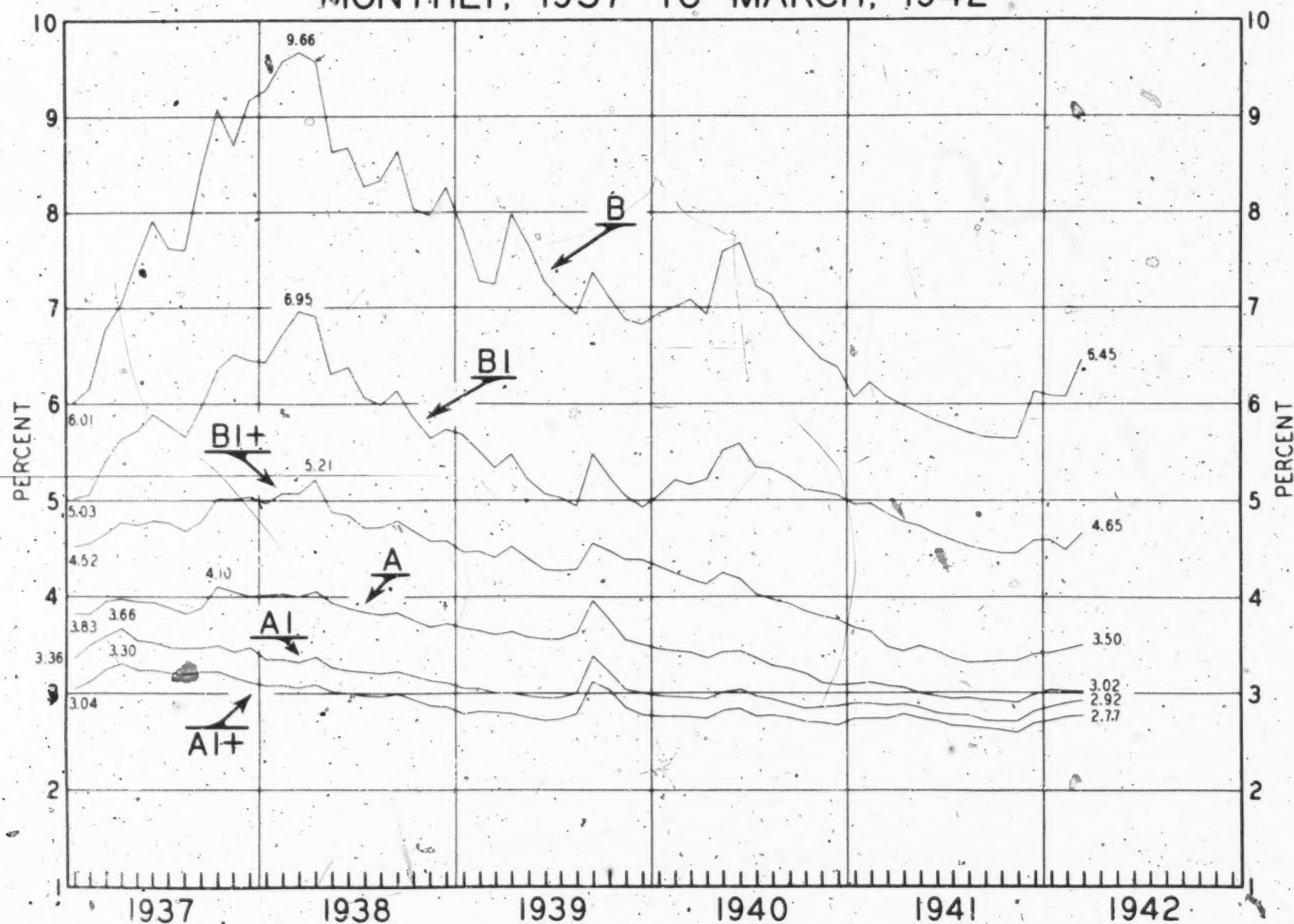
STANDARD'S HIGHEST GRADE (A1+) CORPORATE BOND YIELDS
MONTHLY, 1930 TO MARCH, 1942

-CHART NO. 31-

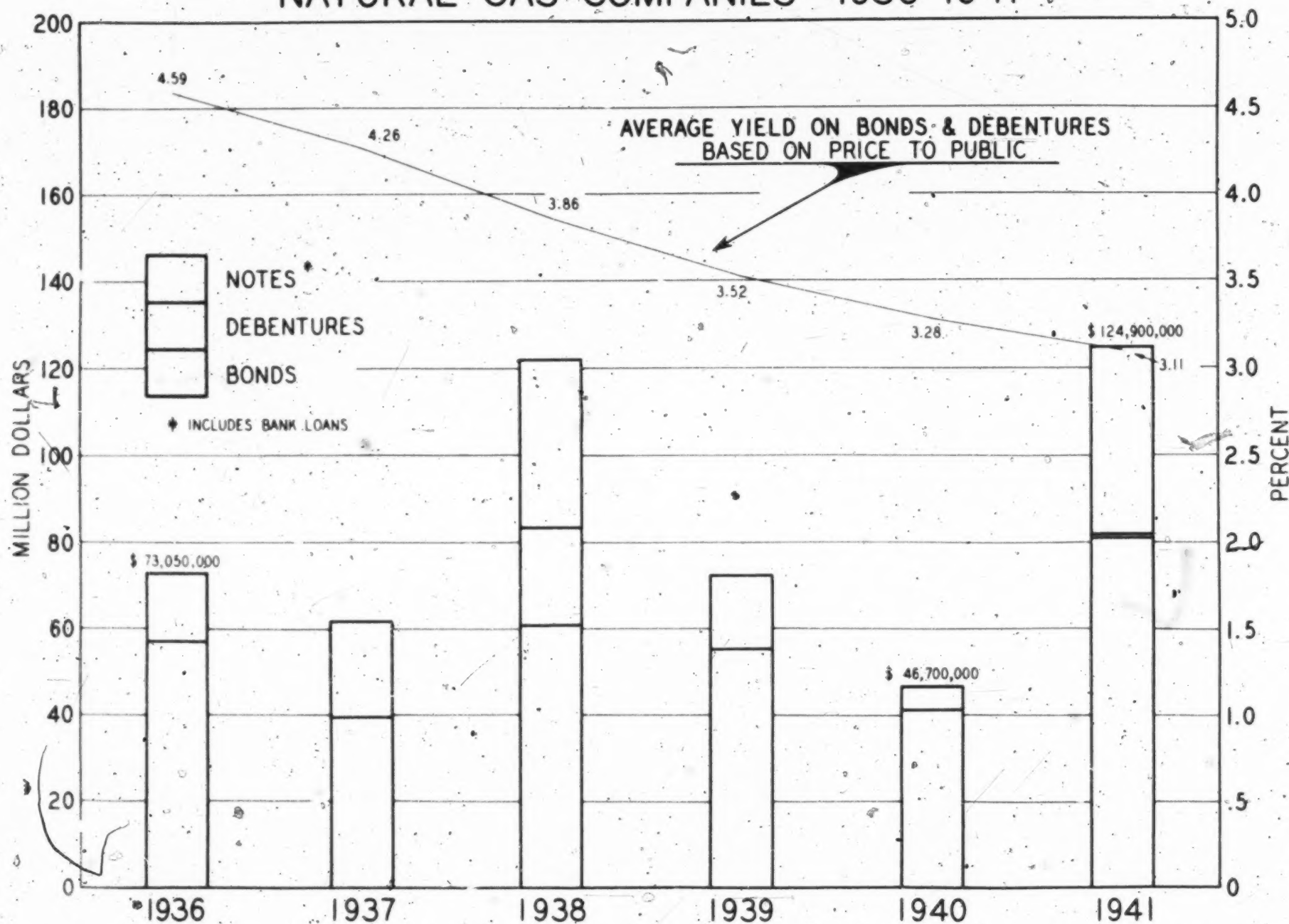
STANDARD'S CORPORATE BOND YIELDS—BY QUALITY RATING MONTHLY, 1937 TO MARCH, 1942



-CHART NO. 32-

STANDARD'S PUBLIC UTILITY BOND YIELDS-BY QUALITY RATING
MONTHLY, 1937 TO MARCH, 1942

-CHART NO. 33-

BONDS, DEBENTURES AND NOTES ISSUED BY
NATURAL GAS COMPANIES-1936-1941

-CHART NO. 34-

BONDS AND DEBENTURES OF NATURAL GAS COMPANIES SOLD FROM JANUARY 1, 1936 TO DECEMBER 31, 1941

Company	Issue	Approximate Offering Date	Principal Amount	Standard Rating	Net Price to Company		Price to Public	
					Cost		Yield	
1936								
Northern Natural Gas Company	1st Mtge. & 1st Lien Ser. B & 1/4, 1947	Jan.	\$ 2,000,000	None	(a)		100.00	4.88
Northern Natural Gas Company	1st Mtge. & C. Tr. S.F. B, 1946	Mar. 3	1,000,000	B1	93.54	5.58	100.00	5.00
El Paso Natural Gas Company	1st Mtge. S.F. Ser. A & 1/2, 1951	June 4	7,500,000	B1+	94.14	5.08	98.50	4.84
El Paso Natural Gas Company	Conv. Debentures 4 3/4, 1946	June 4	3,750,000	B1	95.16	5.36	100.00	4.78
Oklahoma Natural Gas Company	1st Mtge. S.F. Ser. A & 1/2, 1951	June 11	20,000,000	B1+	94.60	4.99	98.50	4.64
Oklahoma Natural Gas Company	Conv. Debentures 5, 1946	June 11	10,000,000	B	95.72	5.36	100.00	5.00
Arkansas-Louisiana Gas Company	1st Mtge. S.F. B, 1951	July 22	10,000,000	A	95.79	4.82	98.00	4.46
Alabama Gas Company	1st Mtge. & 1/2, 1951	Sept. 16	1,800,000	B1+	96.82	5.71	98.50	4.84
Montana-Dakota Utilities Company	Conv. Debentures 4 1/2, 1946	Nov. 1	2,500,000	B	96.12	4.99	100.00	4.50
Southern Natural Gas Company	1st Mtge. Pipe Line S.F. & 1/2, 1951	Nov. 18	15,000,000	B1+	96.79	4.85	100.00	4.50
	TOTAL AND WEIGHTED AVERAGE		75,000,000		95.10		99.50	4.80
1937								
New Mexico Gas Company	1st Mtge. Conv. A 5, 1951	Feb. 16	\$ 1,500,000	B1+	(b)	(b)	99.00	5.10
Mississippi River Fuel Company	1st Mtge. S.F. A & 1/2, 1951	Feb.	10,000,000	None	(a)	(a)	100.00	4.00
Kansas Pipe Line & Gas Company	1st Mtge. Conv. S.F. B, 1952	Mar. 19	1,000,000	None	93.66	5.61	100.00	5.00
Panhandle Eastern Pipe Line Company	1st Mtge. & 1st Lien S.F. C, 1952	Mar. 30	24,000,000	B1+	95.08	4.66	97.50	4.53
Necon Gas Company	1st Mtge. & 1/2, 1952	June 27	750,000	B1+	95.58	5.98	98.00	5.98
Atlanta Gas Light Company	General Mortgage 4 1/2, 1953	July	(a) 685,000	B1+	(a) 96.68	4.81	(a) 99.75	(a) 4.68
El Paso Natural Gas Company	1st Mtge. S.F. B & 1/2, 1952	Oct. 1	1,800,000	None	(a)	(a)	97.75	4.90
Southern Natural Gas Corporation	1st Mtge. Pipe Line S.F. & 1/2, 1952	Dec.	850,000	None	(a)	(a)	97.75	4.71
	TOTAL AND WEIGHTED AVERAGE		39,785,000		95.44		99.75	4.71
1938								
Northern Natural Gas Company	Debenture 4 1/2, 1946	July	\$ 5,000,000	None	(a)	(a)	100.00	4.50
Louisiana Gas Corporation	Debenture S.F. 3 1/2, 1953	Aug. 28	80,000,000	A1	99.36	3.56	102.00	3.53
Michigan Consolidated Gas Company	1st Mtge. A, 1953	Oct. 6	34,000,000	B1+	95.62	4.41	97.50	4.16
El Paso Natural Gas Company	1st Mtge. S.F. 3 1/2, 1953	Dec. 18	6,000,000	None	(a)	(a)	98.50	3.63
Arkansas-Western Gas Company	1st Mtge. S.F. A, 1953	Dec. 23	750,000	B	99.78	7.18	97.50	6.98
Cities Service Gas Company	1st Pipe Line S.F. & 1/2, Serially 1947-54	Dec.	20,000,000	None	(a)	(a)	100.00	3.75
	TOTAL AND WEIGHTED AVERAGE		146,750,000		98.44		100.00	3.75
1939								
Montana-Dakota Utilities Company	1st Mtge. S.F. 4 1/2, 1954	May 23	\$ 9,000,000	B1+	96.01	4.66	101.00	4.41
Northern Natural Gas Company	1st Mtge. & 1st Lien A & 1/2, 1954	Aug. 16	18,000,000	None	98.64	3.36	100.00	3.78
Oklahoma Natural Gas Company	1st Mtge. S.F. B 3 3/4, 1954	Aug. 17	17,000,000	B1+	100.68	3.66	108.50	3.46
Kansas Public Service Company	1st Mtge. A, Serially 1941-50	Aug. 18	350,000	None	92.65	4.78	100.00	4.08
Arkansas-Louisiana Gas Company	1st Mtge. A 3 3/4, Serially 1940-54	Sept. 28	3,300,000	None	99.70	3.01	100.00	2.75
Arkansas-Louisiana Gas Company	1st Mtge. B 3 1/2, Serially 1940-54	Sept. 28	2,700,000	None	99.20	3.82	100.00	3.82
	TOTAL AND WEIGHTED AVERAGE		55,350,000		98.20		100.00	3.82
1940								
New Mexico Gas Company	1st Mtge. S.F. B 2, 1954	Jan. 4	\$ 250,000	None	97.00	5.30	100.00	4.95
Michigan Consolidated Gas Company	1st Mtge. A, 1953	Mar. 16	2,000,000	A	101.00	3.95	101.50	3.90
Montana-Dakota Utilities Company	1st Mtge. S.F. & 1/2, 1954	July	1,900,000	None	(a)	(a)	104.00	4.18
El Paso Natural Gas Company	1st Mtge. S.F. B, 1955	June-July	3,000,000	None	(a)	(a)	98.50	3.13
Houston Natural Gas Corporation	1st Mtge. S.F. A, 1955	Sept. 11	3,000,000	B1+	98.19	4.44	100.00	4.00
Southern California Gas Company	1st Mtge. S.F. 3 1/4, 1970	Sept. 28	30,000,000	A1	101.15	3.19	103.50	3.07
Southern Gas Company	1st Mtge. A 5, 1955	Dec. 18	300,000	None	90.00	6.08	100.00	5.00
Arkansas Western Gas Company	1st Mtge. S.F. & 1/2, 1955	Dec. 17	800,000	B	94.19	5.06	100.00	4.80
	TOTAL AND WEIGHTED AVERAGE		41,050,000		98.20		100.00	3.80
1941								
Montana-Dakota Utilities Company	1st Mtge. S.F. 3 1/2, 1951	Jan. 6	\$ 7,500,000	B1+	100.64	3.45	103.50	3.28
Montana-Dakota Utilities Company	1st Mtge. B 1/2, Serially 1947-50	Jan. 6	2,500,000	B1+	(f) 100.64	(f) 3.37	(f) 108.50	(f) 3.19
Southern Pacific Gas Co. of California	1st Mtge. 3, 1971	Jan. 23	11,500,000	A1	98.45	3.08	101.00	2.95
Panhandle Eastern Pipe Line Company	1st Mtge. & 1st Lien S.F. B 3, 1950	Jan. 30	18,000,000	A1	93.08	3.07	108.00	2.86
	Interest rates 1.00% - 7.50%							
Texas Southwestern Gas Company	1st Mtge. S.F. & 3/4, 1954	Jan. 30	8,250,000	None	99.08	(f) 3.03	100.00	(f) 2.90
Atlanta Gas Light Company	Genl. Mtge. Bonds 3 1/2, Series 1951	Mar. 30	880,000	B1	93.60	5.37	100.00	4.75
Southern California Gas Company	1st Mtge. S.F. 3 1/4, 1970	Apr. 9	2,200,000	None	(a)	(a)	100.00	3.50
San Grande Valley Gas Company	1st Mtge. A, 1951	Apr. 9	8,000,000	A1	101.74	3.16	104.75	3.03
Kansas-Nebraska Natural Gas Company	1st Mtge. S.F. A 4, 1957	Apr. 15	3,000,000	B1+	(a)	(a)	100.00	4.00
Consol. Gas Utilities Co.	Debenture 5, 1951	Apr. 23	700,000	None	99.45	4.04	105.00	3.78
Consol. Gas Utilities Co.	1st Mtge. S.F. A 4, 1956	Apr. 23	6,500,000	None	(a)	(a)	100.00	5.00
Southern Natural Gas Co.	1st Mtge. S.F. 3 1/4, 1956	June 11	13,000,000	A	100.58	3.78	100.00	4.00
Oklahoma Natural Gas Co.	1st Mtge. Ser. C 5, 1956	Aug. 30	4,500,000	None	(a)	(a)	100.00	5.00
Southwest Natural Gas Co.	1st Mtge. Ser. A 5 3/4, 1956	Nov. 18	1,550,000	None	(a)	(a)	100.00	5.00
Mobile Gas Service Corp.	1st Mtge. S 3/4, 1951	Dec. 18	1,400,000	B1+	98.90	3.83	104.50	3.78
	TOTAL AND WEIGHTED AVERAGE		151,850,000		99.20		104.50	3.78

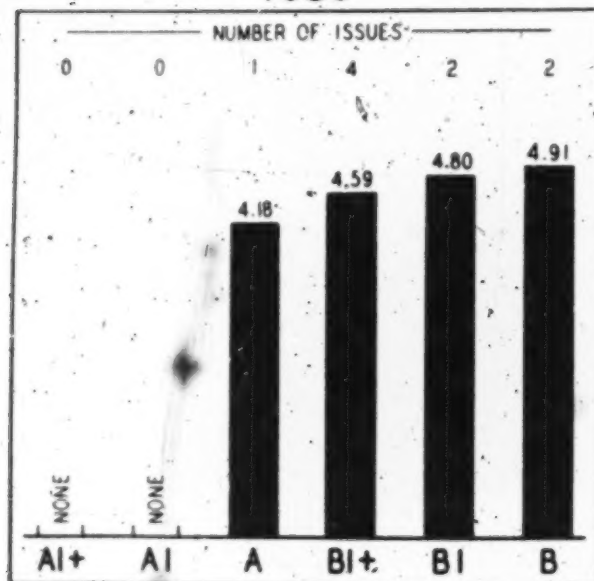
Notes: * Issues sold privately. (a) Details not available. (b) Offered for account of others. (c) In addition \$250,000 was sold privately at \$99.25 to yield 4.95%. (d) Estimated. (f) Average.

Source: Compiled by Standard & Poor's Corporation from prospectuses of companies, Standard Corporation Records, Moody's Public Utility Manuals and the S.E.C. release entitled "Security Issues of Electric and Gas Utilities, 1936-1941."

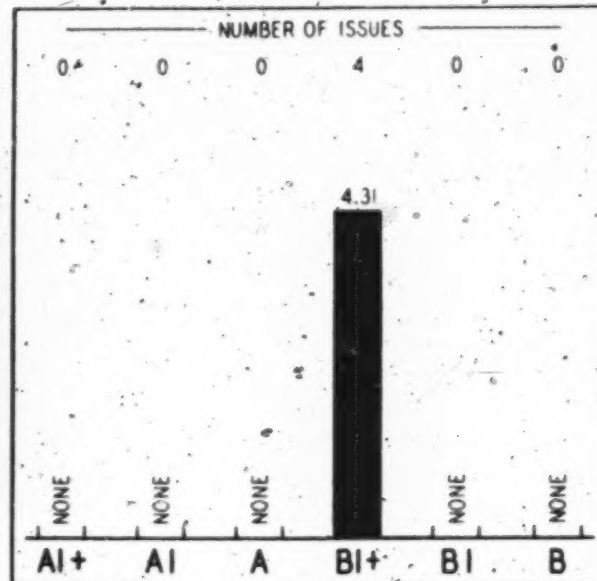
-CHART NO. 35-

YIELDS ON NEW SECURITY ISSUES OF NATURAL GAS COMPANIES ACCORDING TO QUALITY RATING—1936-1941

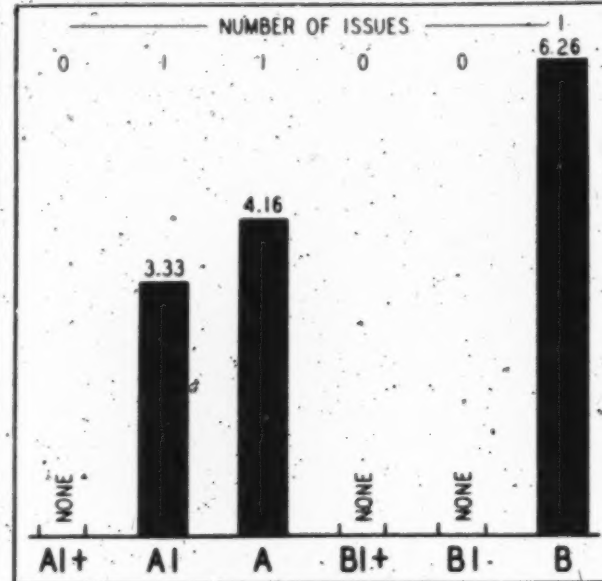
1936



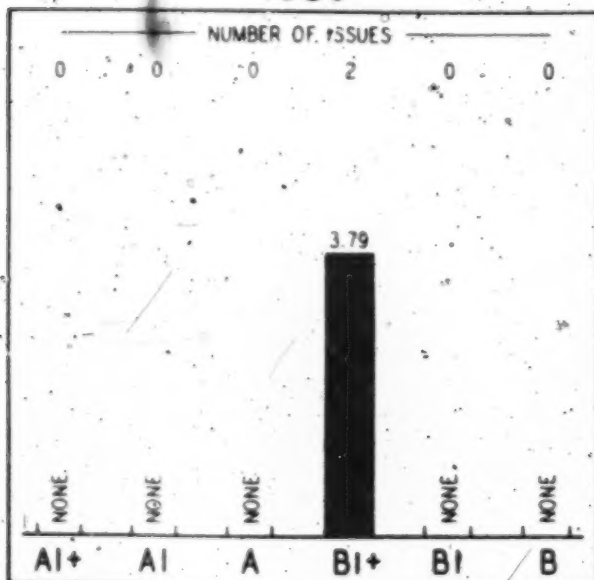
1937



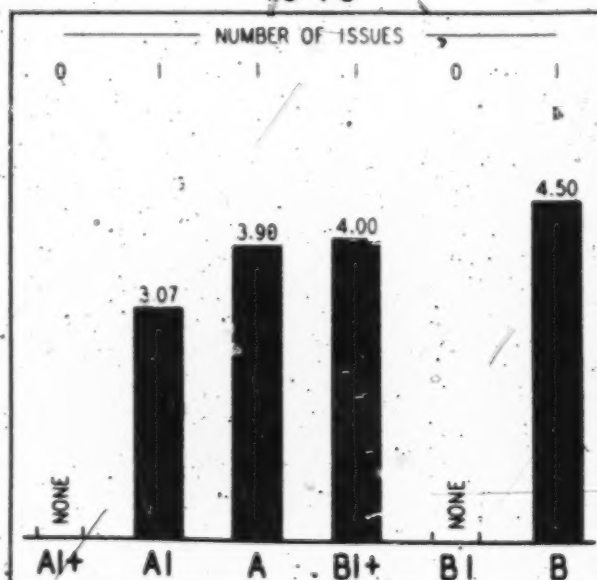
1938



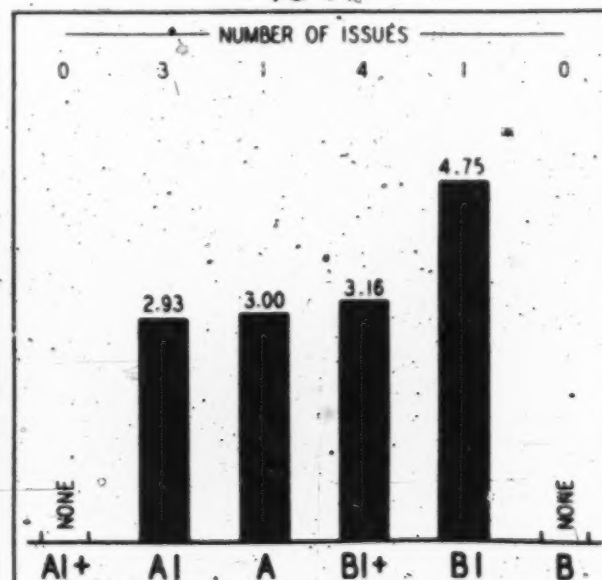
1939



1940



1941

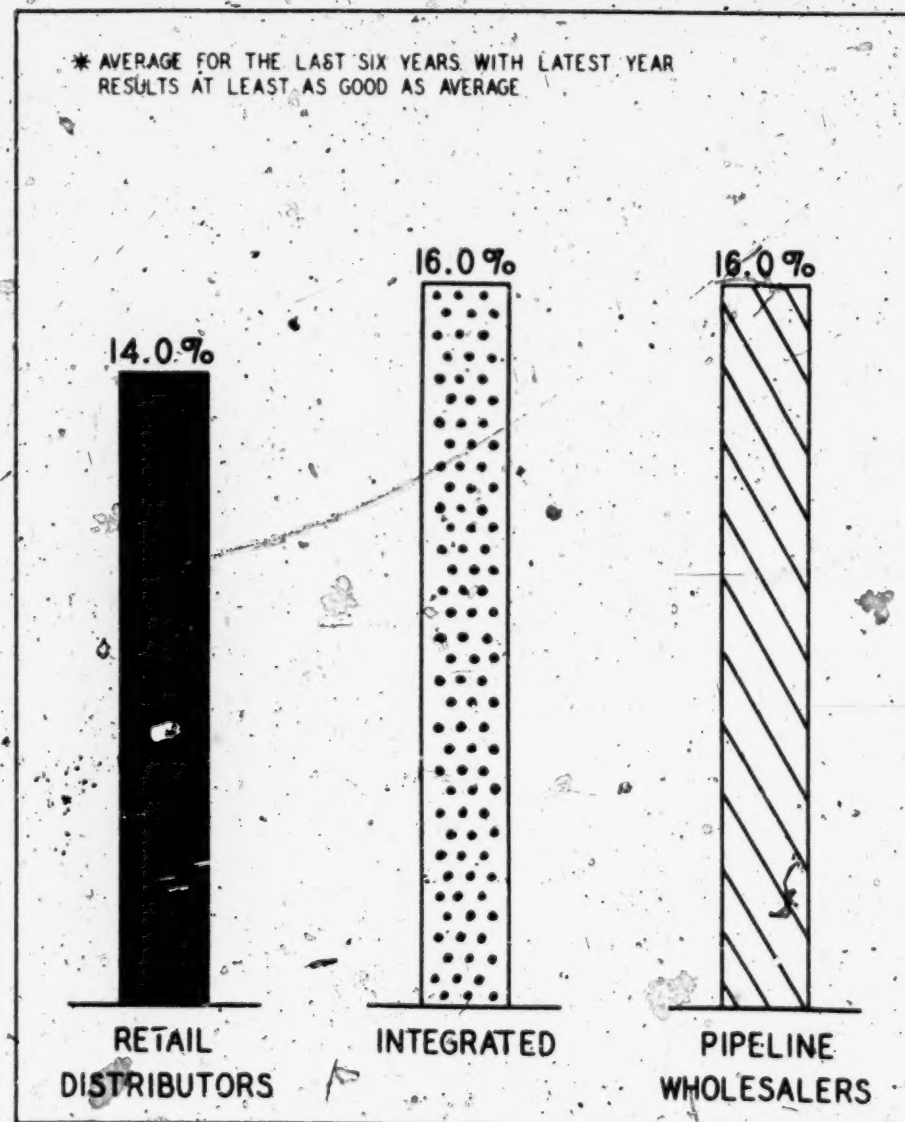
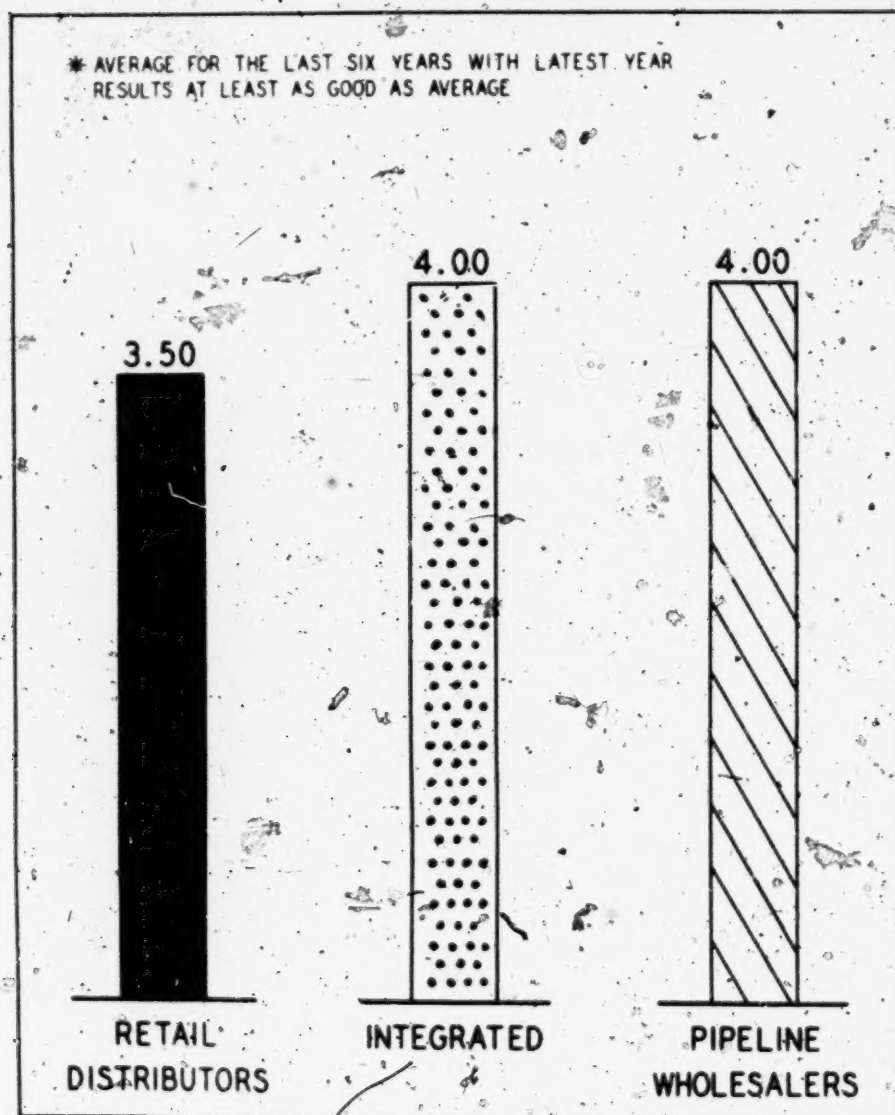


- CHART NO. 36 -

IDEAL EARNINGS COVERAGE RATIOS FOR HIGH GRADE (A GROUP) NATURAL GAS COMPANY BONDS

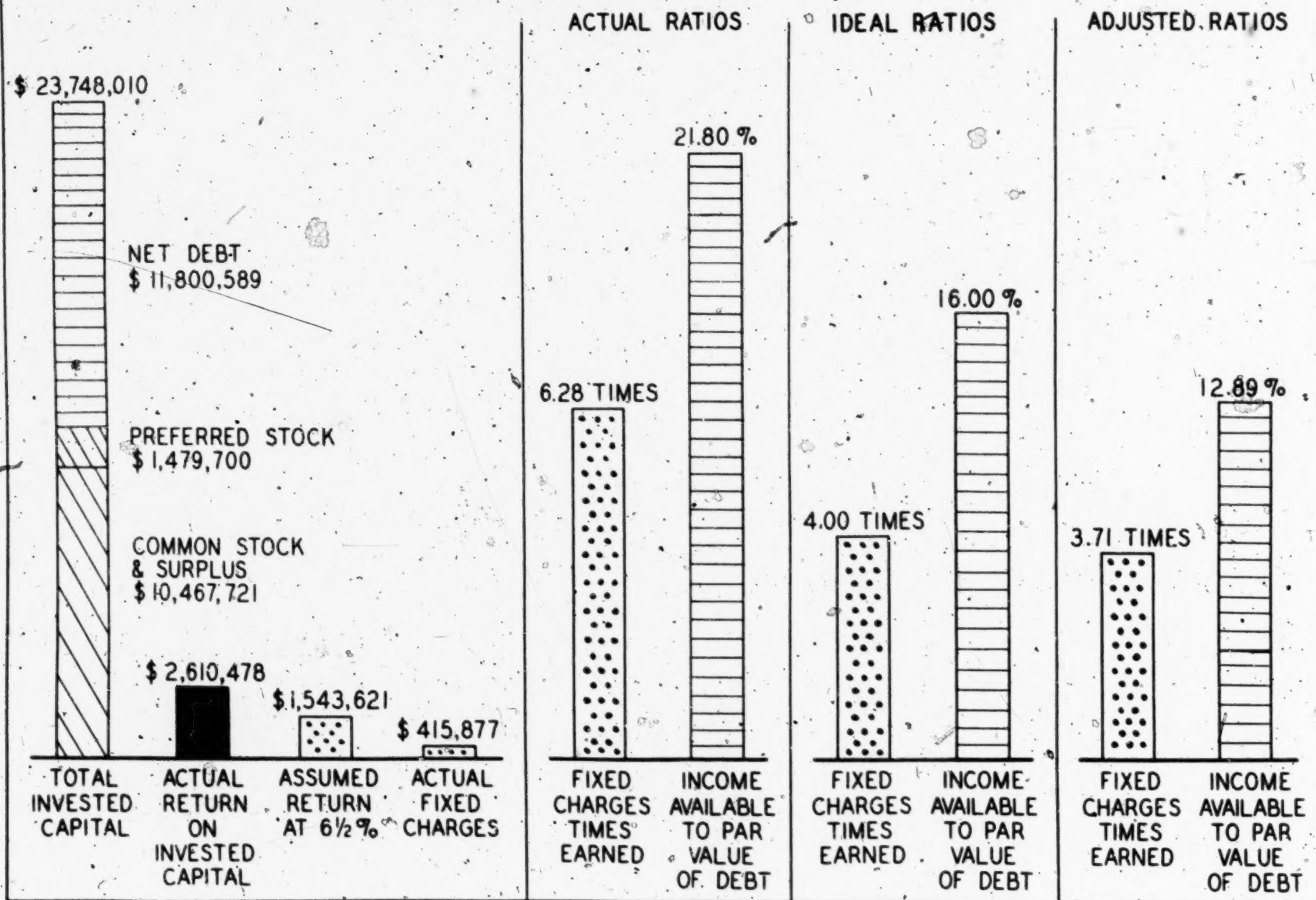
AS SUBMITTED TO THE NEW YORK STATE BANKERS ASSOCIATION FOR QUALIFYING HIGH GRADE BONDS

* FIXED CHARGES TIMES EARNED

* INCOME AVAILABLE FOR FIXED CHARGES
TO PAR VALUE OF FIXED DEBT

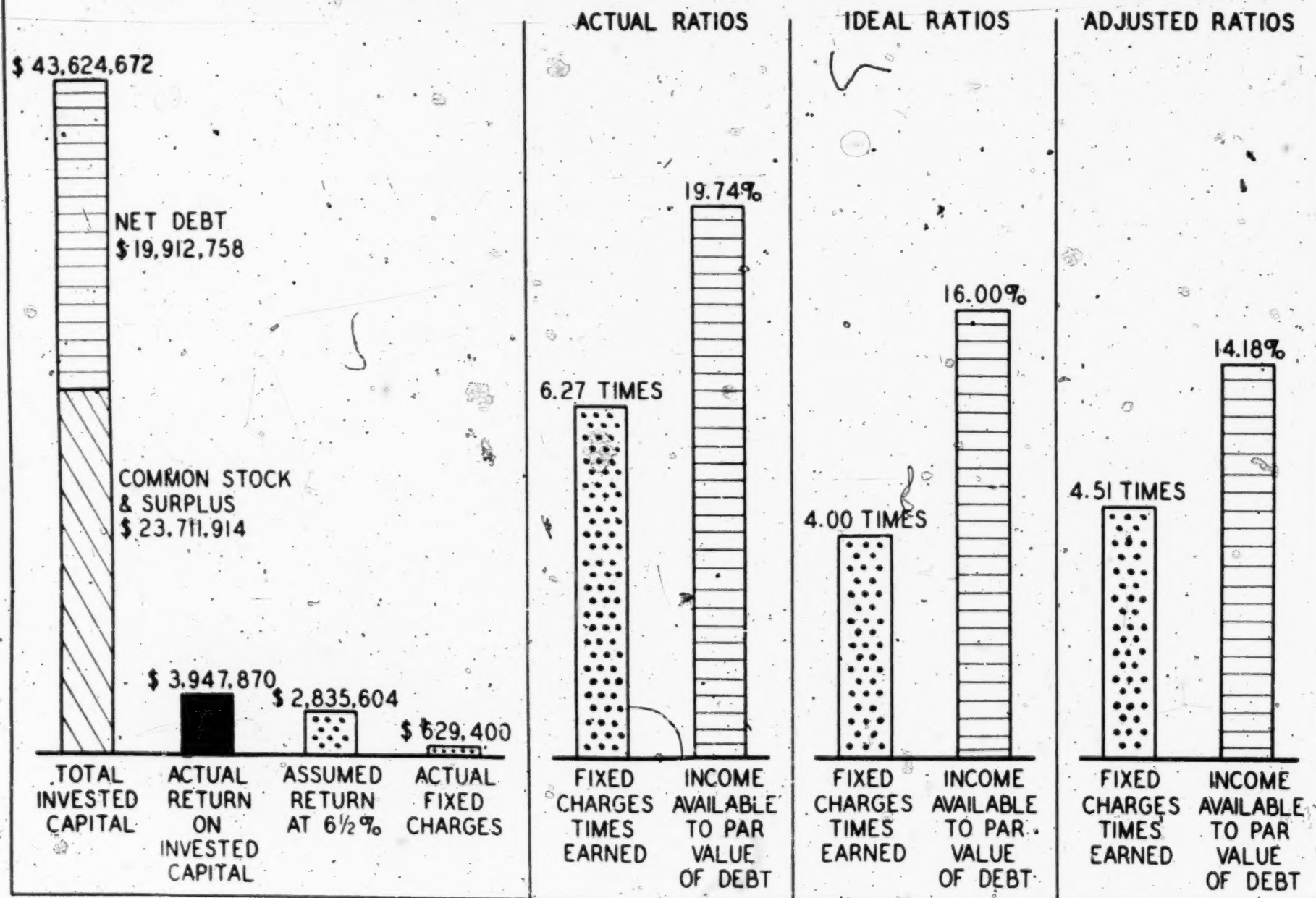
- CHART NO. 37 -

DEBT COVERAGE RATIOS FOR EL PASO NATURAL GAS COMPANY ACTUAL AND ADJUSTED TO A 6½% RATE OF RETURN

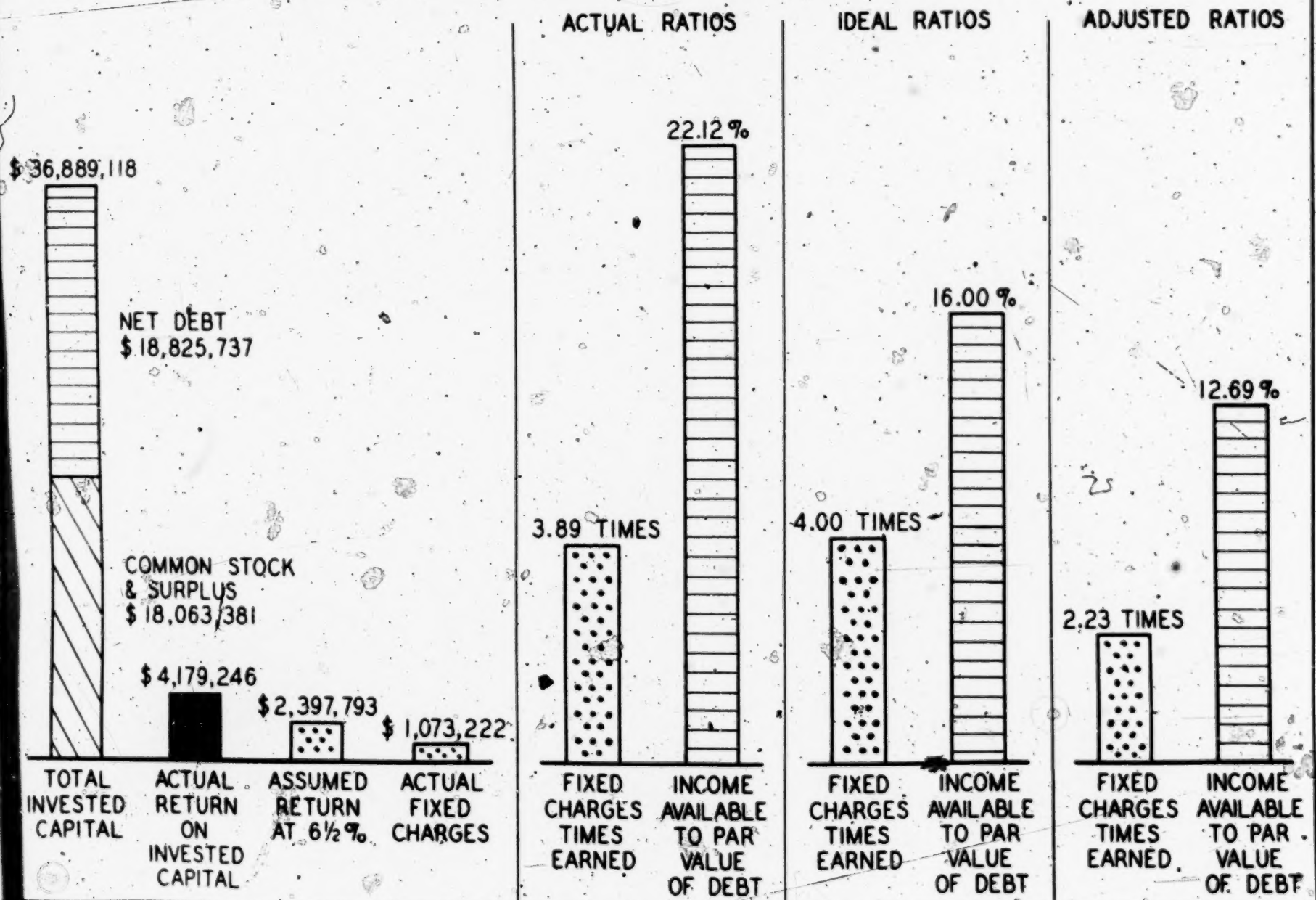


-CHART NO. 38-

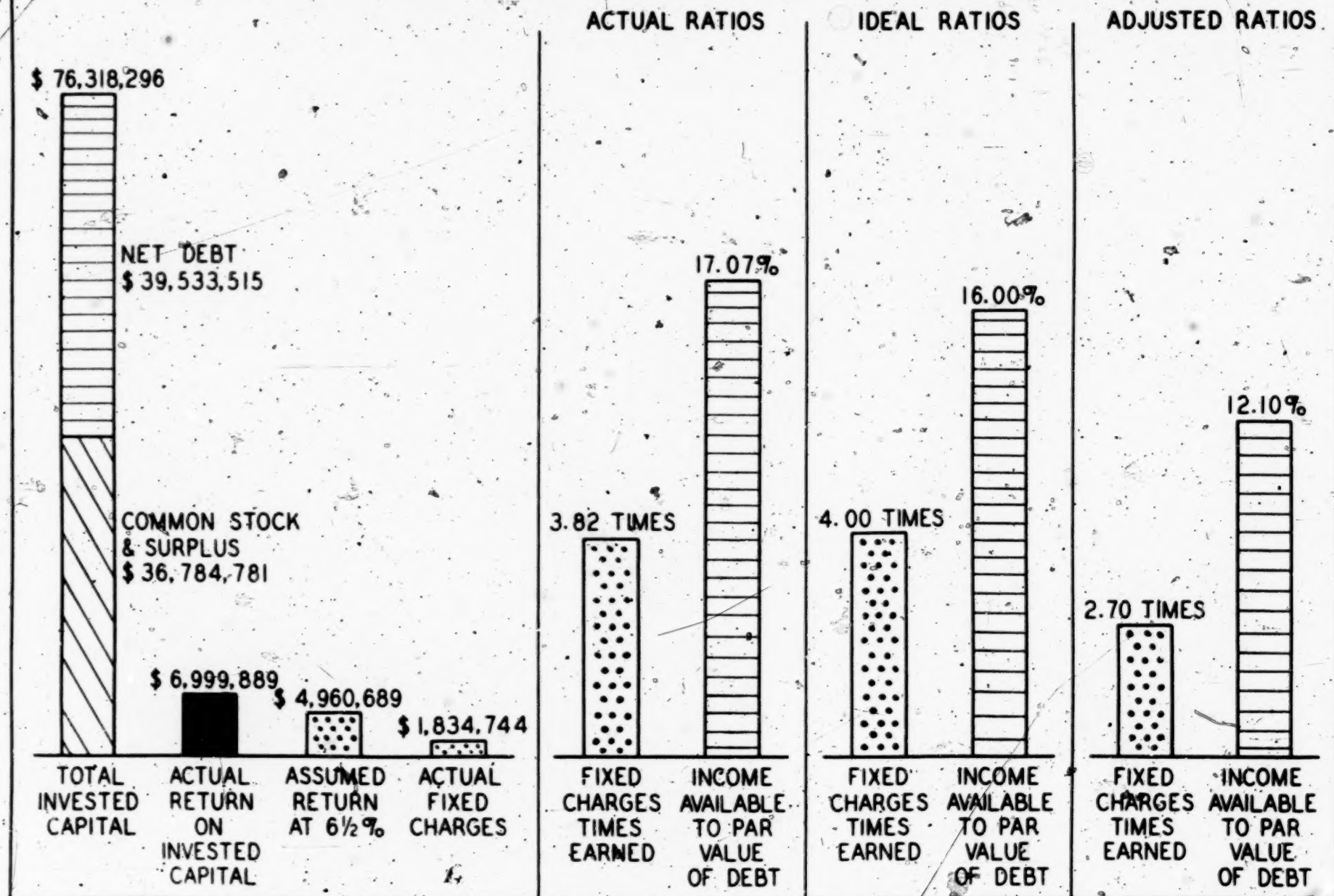
DEBT COVERAGE RATIOS FOR NORTHERN NATURAL GAS COMPANY ACTUAL AND ADJUSTED TO A 6½% RATE OF RETURN



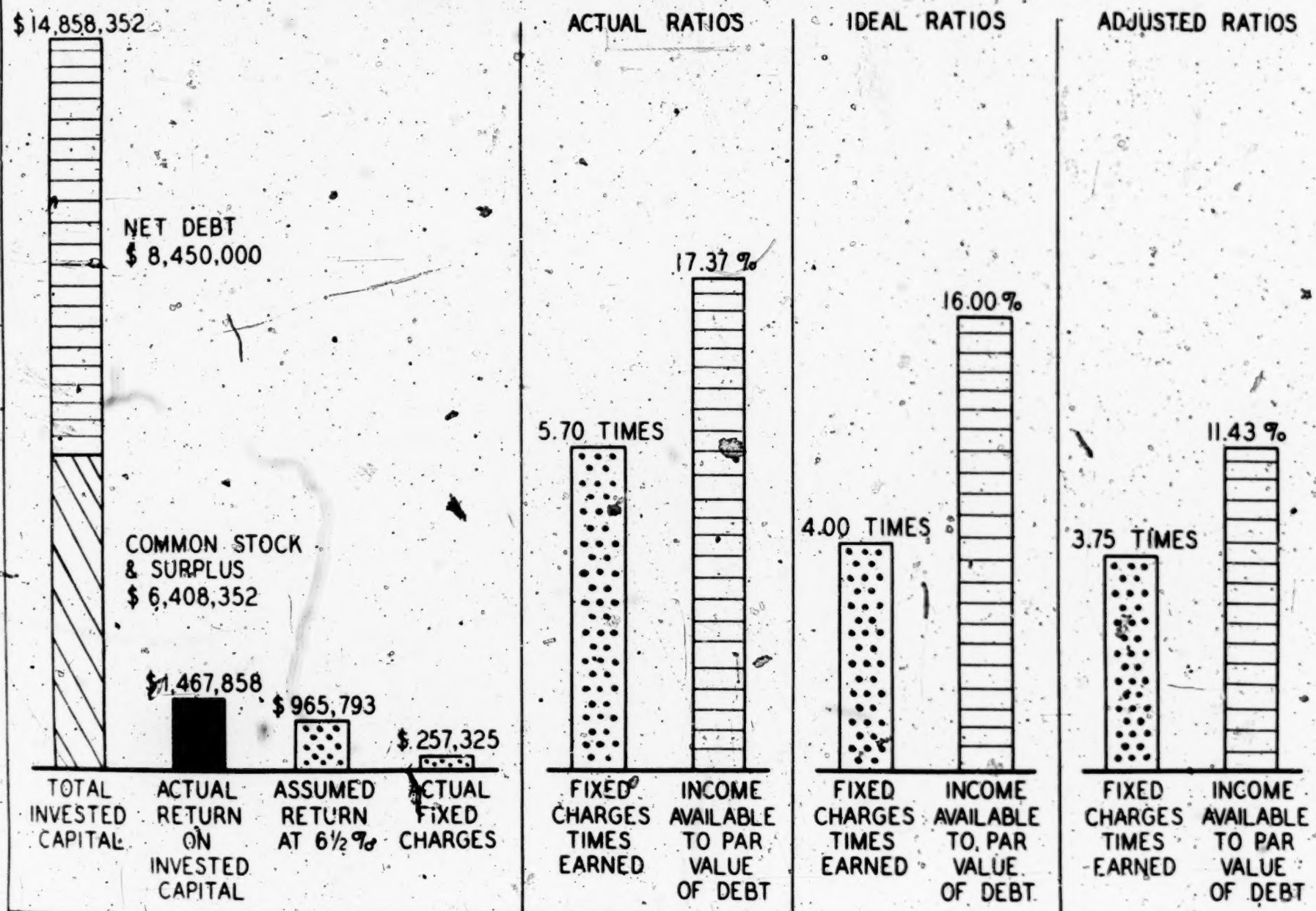
DEBT COVERAGE RATIOS FOR SOUTHERN NATURAL GAS COMPANY ACTUAL AND ADJUSTED TO A 6½% RATE OF RETURN



DEBT / COVERAGE RATIOS FOR CITIES SERVICE GAS COMPANY ACTUAL AND ADJUSTED TO A 6 1/2 % RATE OF RETURN



DEBT COVERAGE RATIOS FOR MISSISSIPPI RIVER FUEL CORP. ACTUAL AND ADJUSTED TO A 6½% RATE OF RETURN



-CHART NO. 42-

DEBT COVERAGE RATIOS FOR NATURAL GAS COMPANIES ADJUSTED TO 6 1/2% RETURN ON NET PROPERTY AND WORKING CAPITAL

	EL PASO NATURAL GAS COMPANY (JANUARY 31, 1942)	NORTHERN NATURAL GAS COMPANY (DECEMBER 31, 1941)	SOUTHERN NATURAL GAS COMPANY (SEPTEMBER 30, 1941)	CITIES SERVICE GAS COMPANY (DECEMBER 31, 1940)	MISSISSIPPI RIVER FUEL CORPORATION (DECEMBER 31, 1941)					
INVESTED CAPITAL BASED UPON NET PROPERTY ACCOUNT (INCLUDING INTANGIBLES AND WORKING CAPITAL)										
PLANT, PROPERTIES AND EQUIPMENT LESS: RESERVE FOR DEPRECIATION, DEPLETION, ETC.	29,745,336 4,623,925	57,682,305 15,924,997	43,332,517 9,676,649	66,926,590 12,973,066	22,641,498 8,343,158					
NET PLANT, ETC.	\$1,121,341	43,727,308	33,655,867	73,953,584	14,298,340					
WORKING CAPITAL: CURRENT ASSETS LESS: CURRENT LIABILITIES	1,723,069 1,714,765	3,765,963 3,793,180	5,145,604 2,236,556	5,222,191 2,759,697	1,900,294 1,376,060					
NET WORKING CAPITAL	8,761	(23,167)	2,909,248	2,462,494	533,244					
TOTAL INVESTED CAPITAL	21,130,122	43,704,141	36,565,115	76,416,018	14,831,584					
RETURN ON INVESTED CAPITAL AND RATIOS										
	ACTUAL YEAR ENDED JAN. 31, 1942	ASSUMING 6 1/2% RETURN	ACTUAL YEAR ENDED DEC. 31, 1941	ASSUMING 6 1/2% RETURN	ACTUAL YEAR ENDED SEPT. 30, 1941	ASSUMING 6 1/2% RETURN	ACTUAL YEAR ENDED DEC. 31, 1940	ASSUMING 6 1/2% RETURN	ACTUAL YEAR ENDED DEC. 31, 1941	ASSUMING 6 1/2% RETURN
AVAILABLE FOR FIXED CHARGES	2,610,478	1,373,458	3,647,870	2,640,789	4,179,246	2,376,602	6,999,689	4,967,041	1,467,888	964,063
ACTUAL FIXED CHARGES (INTEREST AND AMORTIZATION)	415,877	415,877	629,400	629,400	1,073,222	1,073,222	1,634,744	1,634,744	287,325	267,325
DEBT QUALITY RATIOS:										
FIXED CHARGES TIMES EARNED (TIMES)	6.28	3.30	6.27	4.61	3.69	2.21	3.82	2.71	5.70	3.75
INCOME AVAILABLE TO PAR VALUE OF DEBT	21.00%	11.47%	19.74%	14.90%	22.18%	12.88%	17.07%	12.11%	17.37%	11.41%

IDEAL RATIOS

FIXED CHARGES TIMES EARNED — 4.00 TIMES

INCOME AVAILABLE TO PAR VALUE OF DEBT — 16.00%

NOTE: PARENTHESES INDICATE NEGATIVE FIGURES.

SOURCE: COMPILED BY STANDARD & POOR'S CORPORATION FROM DATA APPEARING IN COMPANY'S PUBLISHED STATEMENTS IN ALL CASES EXCEPT CITIES SERVICE GAS COMPANY, THE BASIC DATA FOR WHICH WAS TAKEN FROM MOODY'S PUBLIC UTILITY MANUAL FOR 1941.

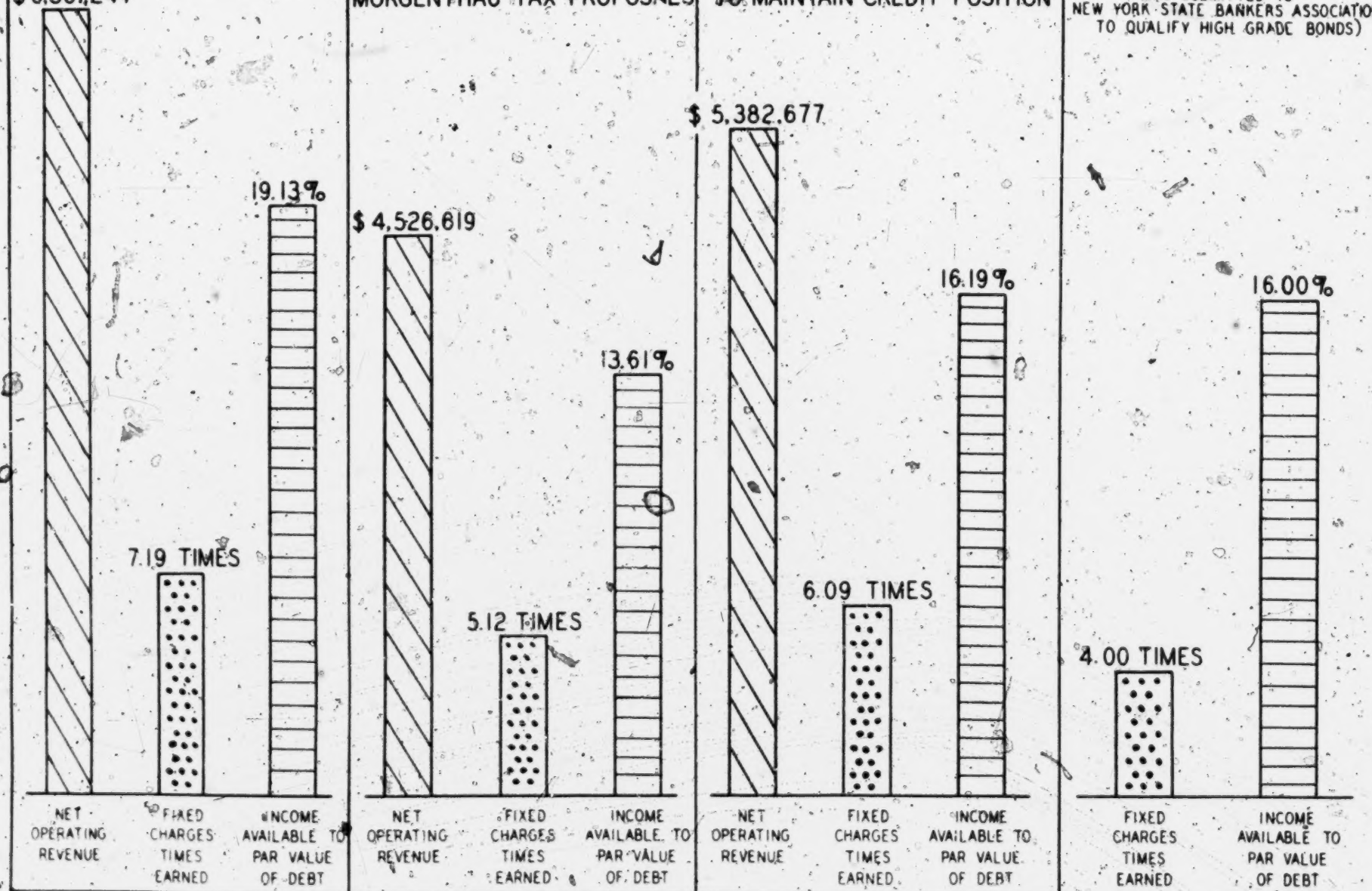
DEBT COVERAGE RATIOS OF PANHANDLE EASTERN PIPE LINE CO. AT VARIOUS LEVELS OF NET OPERATING REVENUE

ACTUAL RESULTS FOR 12 MONTHS ENDED FEB. 28, 1942
BASED ON 1941 TAX RATES
\$6,361,247

BASED ON
MORGENTHAU TAX PROPOSALS
\$4,526,619

MINIMUM EARNINGS NECESSARY
TO MAINTAIN CREDIT POSITION
\$5,382,677

IDEAL RATIOS
(AS SUBMITTED TO
NEW YORK STATE BANKERS ASSOCIATION
TO QUALIFY HIGH GRADE BONDS)



- CHART NO. 44 -

DEBT COVERAGE RATIOS OF PANHANDLE EASTERN PIPE LINE CO. AT VARIOUS LEVELS OF NET OPERATING REVENUE

* ASSUMING A 6½% RATE OF RETURN ON \$ 77,830,535

BASED ON 1941 TAX RATES

\$5,058,985



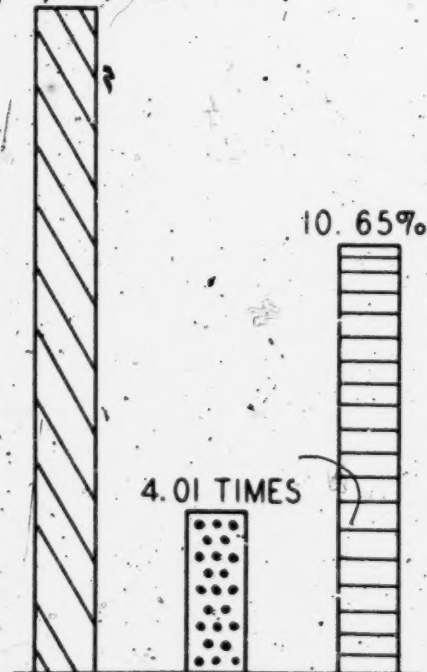
NET
OPERATING
REVENUE

FIXED
CHARGES
TIMES
EARNED

INCOME
AVAILABLE TO
PAR VALUE
OF DEBT

* INVESTED CAPITAL BASED ON DEBT, PREFERRED STOCK,
COMMON STOCK AND SURPLUSBASED ON
MORGENTHAU TAX PROPOSALS

\$3,541,749



NET
OPERATING
REVENUE

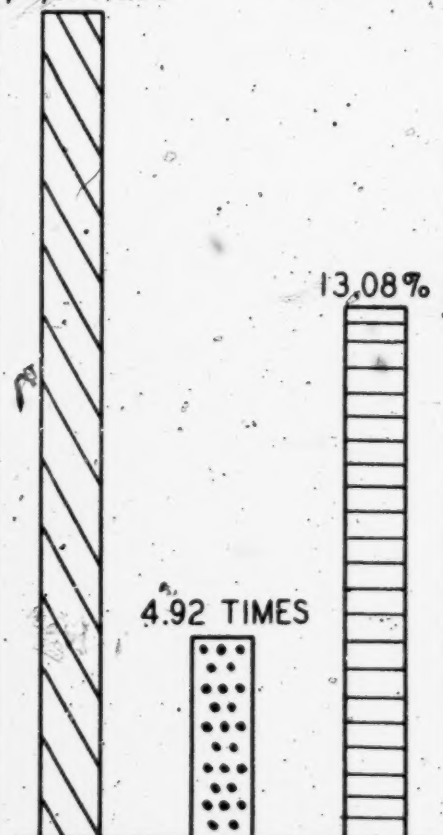
FIXED
CHARGES
TIMES
EARNED

INCOME
AVAILABLE TO
PAR VALUE
OF DEBT

* ASSUMING A 6½% RATE OF RETURN ON \$ 66,935,894

BASED ON 1941 TAX RATES

\$4,350,833



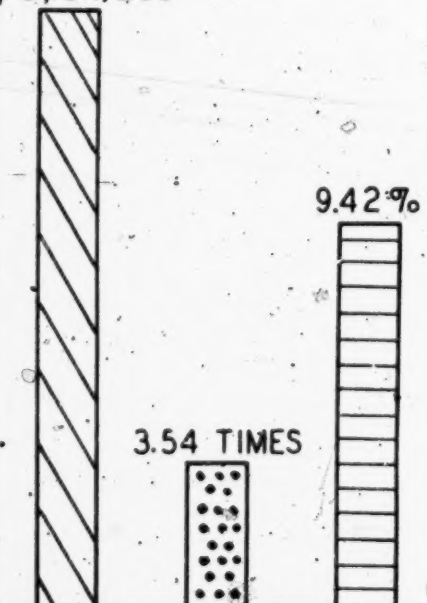
NET
OPERATING
REVENUE

FIXED
CHARGES
TIMES
EARNED

INCOME
AVAILABLE TO
PAR VALUE
OF DEBT

BASED ON
MORGENTHAU TAX PROPOSALS

\$3,134,250



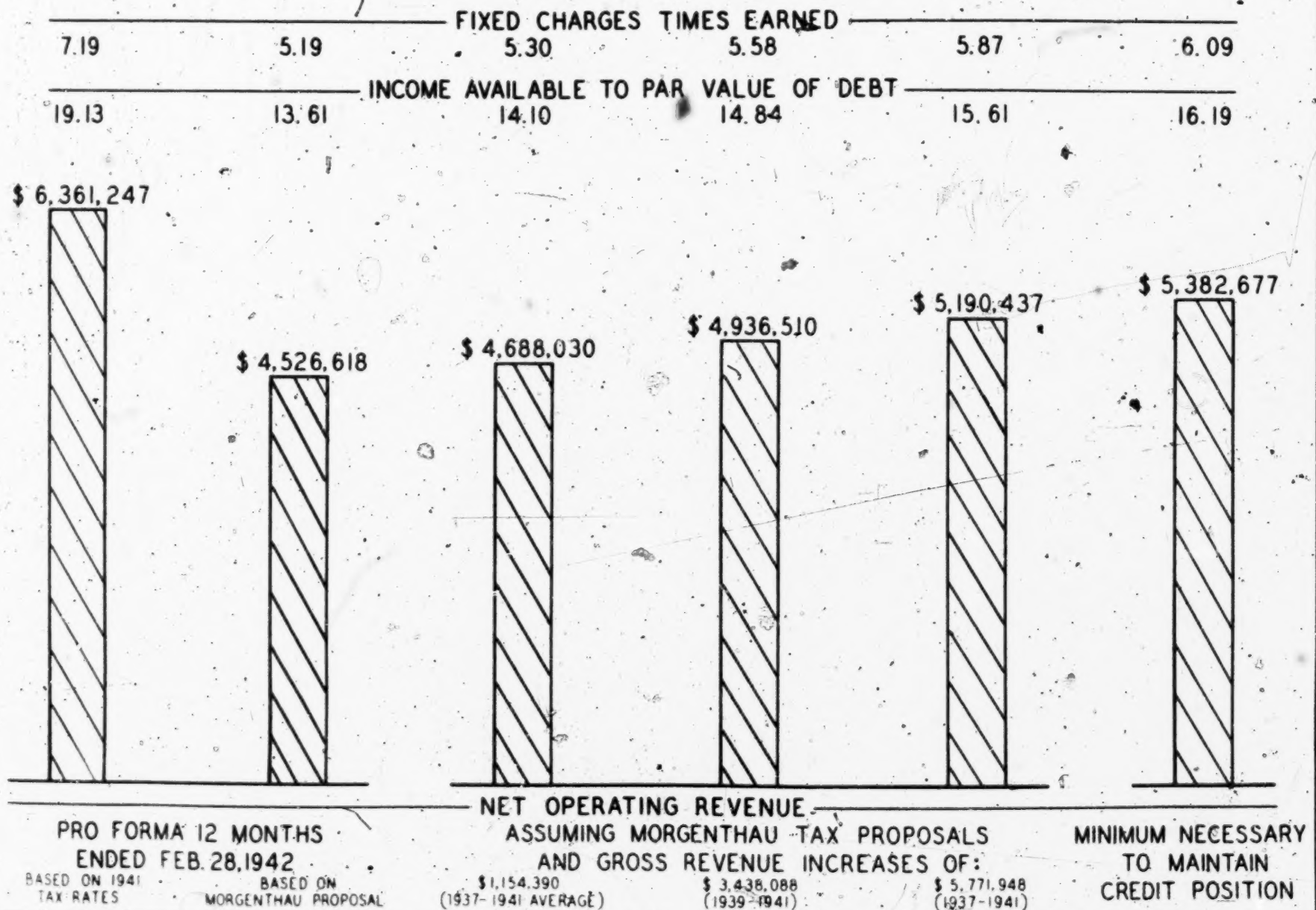
NET
OPERATING
REVENUE

FIXED
CHARGES
TIMES
EARNED

INCOME
AVAILABLE TO
PAR VALUE
OF DEBT

* INVESTED CAPITAL BASED ON DEPRECIATED GAS PLANT
CLASSIFIED "OTHER GAS SALES CONTRACTS" AND
\$ 1,000,000 WORKING CAPITAL

EFFECT OF INCREASED GROSS REVENUE AND TAXES UPON PANHANDLE'S NET OPERATING REVENUE



- CHART NO. 46 -

CALCULATION TO SHOW RATE OF RETURN NECESSARY TO PRODUCE \$5,382,677 — ASSUMING VARIOUS RATE BASES



16195

6059

Exhibit 253

SUPPORTING TABLES

Exhibit 253

Table Supporting Chart No. 2

PANHANDLE EASTERN PIPE LINE COMPANY

TREND OF REVENUE AND EXPENSES

	Taxes						
	Gross Revenues	Operating Expenses (Excluding Taxes)	State, Local & Misc. Federal	Federal Income	Federal Excess Profits	Total Taxes	Net Operating Income
	\$	\$	\$	\$	\$	\$	\$
	----- (IN DOLLARS) -----						
1932 (9 mos.)	1,427,494	1,215,832	216,130	-	-	216,130	(4,468)
1933	2,585,397	1,755,999	262,375	-	-	262,375	567,022
1934	3,048,518	1,774,210	270,204	-	-	270,204	1,004,104
1935	3,611,865	1,832,606	284,598	-	-	284,598	1,494,661
1936	6,037,868	2,588,132	360,294	230,000	-	590,294	2,859,441
1937	9,662,909	3,898,876	412,961	492,000	-	904,961	4,859,072
1938	9,907,129	4,442,002	577,888	513,426	-	1,091,314	4,373,813
1939	11,996,769	4,898,910	675,478	820,286	-	1,495,764	5,602,095
1940	13,535,453	5,210,765	612,872	1,436,598	561,000	2,610,470	5,714,218
1941	15,434,857	5,827,828	733,623	* 1,831,107	* 1,582,774	(b) 4,147,504	5,459,525
1941(a)	17,789,573	6,635,138	901,387	(e)	(e)	(b) 4,741,616	6,412,819
1942(c)	18,378,378	6,758,914	895,846	(e)	(e)	(b) 5,258,218	6,361,247
1942(d)	18,378,378	6,758,914	895,846	(e)	(e)	(b) 7,092,845	4,526,619
	----- (% OF GROSS REVENUE) -----						
1932 (9 mos.)	100.00%	85.17%				15.14%	(0.31)%
1933	100.00	67.92				10.15	21.93
1934	100.00	58.20				8.86	32.94
1935	100.00	50.74				7.88	41.38
1936	100.00	42.86				9.78	47.36
1937	100.00	40.35				9.37	50.28
1938	100.00	44.84				11.02	44.14
1939	100.00	40.84				12.47	46.69
1940	100.00	38.50				19.29	42.21
1941	100.00	37.76				26.67	35.37
1941(a)	100.00	37.30				26.65	36.05
1942(c)	100.00	36.78				28.61	34.61
1942(d)	100.00	36.78				38.59	24.63

Notes: * Details of 1941 Federal taxes taken from published annual report to stockholders.

(a) Pro Forma.

(b) Includes charges in lieu of taxes.

(c) Pro Forma for twelve months ended February 28, 1942 (based on 1941 tax rates).

(d) Pro Forma for twelve months ended February 28, 1942 (based on Morgenthau Proposal of March 3, 1942).

(e) Full detail not available.

Parentheses indicate red figures.

Source: "Watkins" Exhibits Nos. 173, 195, 198 and 199. Computations by Standard & Poor's Corp.

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

PERCENT EARNED ON INVESTED CAPITAL (BASED UPON NET GAS PLANT AND WORKING CAPITAL)

	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	Average 9 3/4 Years 1932-1941
Invested Capital Based Upon Net Property Account (Including Intangibles) and Working Capital											
Gas Plant (including Net Intangibles)	45,608,714	45,825,712	45,525,158	45,485,363	49,863,522	50,977,186	51,214,797	51,838,381	55,908,390	59,650,033	56,687,512
Less: Retirement, Renewal, Depreciation and Amortization Reserves	606,187	1,169,235	1,824,880	2,437,455	3,005,610	4,104,956	5,736,427	7,598,278	9,189,501	10,998,023	4,777,390
Net Gas Plant	45,001,547	44,656,479	43,700,278	43,047,908	46,857,912	56,872,230	55,478,370	54,240,103	57,718,889	58,742,010	51,910,122
Working Capital:											
Current Assets (Net after Reserve for Uncollectible Accounts)	2,740,875	1,468,907	1,938,723	1,624,098	2,229,111	2,862,224	2,776,460	7,009,161	5,451,048	48,909,200	3,797,926
Less: Current Liabilities	749,648	750,854	1,337,454	1,923,630	1,899,246	4,165,415	1,701,689	2,109,307	3,171,906	5,401,817	2,360,068
Net Working Capital	1,991,227	718,053	601,269	(299,532)	329,865	(1,303,192)	1,074,771	4,899,854	2,279,142	3,507,383	1,437,858
Total Invested Capital	46,992,774	45,374,532	44,321,547	42,748,376	47,187,777	55,569,038	56,553,141	59,139,957	59,998,031	62,249,393	53,347,980
Net Operating Income	(4,968)	567,022	1,004,105	1,424,661	2,659,441	4,869,072	4,373,813	5,602,095	5,714,218	5,459,525	3,274,815
Percent Earned on Invested Capital	(Deficit)	1.25%	2.27%	3.30%	5.63%	8.74%	7.73%	9.47%	9.52%	8.77%	6.14%

Notes: * Current Assets as shown above includes investment of \$2,750,000 (principal amount) in tax anticipation notes.

Parentheses indicate red figures.

Sources: "Watkins" Exhibits Nos. 172 and 173. Percentages and averages computed by Standard & Poor's Corp.

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

PERCENT EARNED ON INVESTED CAPITAL (BASED UPON CAPITAL STRUCTURE)

	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	Average 9 3/4 Years 1932-1941
Invested Capital Based Upon Capital Structure											
Debt:											
20 Yr. S.P. Mtge. "A" 6s, 1950	20,000,000	19,400,000	19,400,000	18,200,000	17,589,000	-	-	-	-	-	9,701,436
Promissory Notes 6s, 1950	9,891,000	9,891,000	9,891,000	9,891,000	9,891,000	-	-	-	-	-	4,057,846
Mortgage Notes Payable, etc.	-	102,800	90,595	88,670	110,244	82,599	82,664	41,438	30,142	9,789	48,370
Leasehold Purchase Obligations	-	-	-	-	62,000	75,250	-	-	-	-	28,953
1st Mtge. & 1st Lien "A" 4s, 1952	-	-	-	-	-	23,546,000	23,500,000	23,000,000	22,500,000	-	9,491,897
Bank Loans, due 1939	-	-	-	-	-	2,000,000	2,000,000	-	-	-	410,256
Serial Notes 0.75-1.50%, due 11/1/42-45	-	-	-	-	-	-	-	-	-	5,000,000	512,821
1st Mtge. & 1st Lien "A" 1.65-2.30%, due 11/1/46-50	-	-	-	-	-	-	-	-	-	6,250,000	641,926
1st Mtge. & 1st Lien "B" 3s, due 11/1/50	-	-	-	-	-	-	-	-	-	12,000,000	1,230,769
Total Debt	29,891,000	29,393,500	29,381,595	28,178,670	17,761,244	25,704,849	25,562,664	23,041,438	22,530,142	23,259,789	26,123,374
Less: Debt Discount and Expense	1,860,157	1,702,746	1,601,091	1,408,686	1,267,226	3,173,881	2,654,206	2,539,352	2,229,323	-	1,911,246
Net Debt	28,030,843	27,690,752	27,780,504	26,769,984	16,494,018	22,530,968	22,708,459	20,502,084	20,300,819	23,259,789	24,212,126
Preferred Stock:											
\$6 Cum. Class A, Part. & Redeemable (no par)	-	-	-	-	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	6,153,846
\$6 Cum. Class B, Non-Part. & Non-Redeemable (no par)	-	-	-	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	615,386
Total Preferred Stock	-	-	-	-	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	6,769,232
Common Stock and Surplus:											
Common Stock (no par)	1,199,000	1,199,000	1,199,000	1,199,000	18,216,300	18,216,300	18,216,300	20,124,175	20,184,175	20,184,175	12,307,428
Capital Surplus	19,294,625	19,294,625	19,285,867	18,582,942	46,865	46,365	46,365	-	-	-	7,856,118
Earned Surplus	(1,105,755)	(2,492,578)	(3,354,743)	(3,797,090)	1,572,453	3,716,452	4,289,364	6,860,428	7,922,967	7,366,474	2,163,692
Total Common Stock & Surplus	19,387,870	18,001,047	17,130,064	15,984,852	19,835,120	21,979,117	22,552,029	27,044,603	28,107,142	27,570,649	22,327,436
Total Invested Capital	47,418,713	45,691,799	44,910,568	42,754,836	47,429,138	55,510,085	55,260,488	58,546,687	58,407,961	51,830,438	53,308,795
Net Operating Income	(4,458)	567,022	1,604,104	1,494,661	2,559,442	4,859,071	4,373,813	5,602,066	5,714,218	5,439,325	3,274,819
Percent Earned on Invested Capital	(Deficit)	1.2%	2.2%	3.50%	5.0%	8.75%	7.7%	9.5%	9.6%	8.8%	6.1%

Source: "Watkins" Exhibits Nos. 172 and 173. Averages computed by Standard & Poor's Corp.

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

RETURN TO COMMON STOCKHOLDERS 1932 TO 1941, BOTH INCLUSIVE

	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	Average 9 3/4 Years 1932-1941
Common Stock	1,199,000	1,199,000	1,199,000	1,199,000	18,216,300	18,216,300	18,216,300	20,184,175	20,184,175	20,184,175	12,307,428
Surplus, Capital and Earned	18,188,870	16,802,047	15,931,095	14,785,852	1,718,820	3,762,817	4,335,728	6,880,428	7,922,967	7,386,474	10,020,010
Total Common Stock and Surplus	19,387,870	18,001,047	17,130,095	15,984,852	19,935,120	21,979,117	22,552,028	27,064,603	28,107,142	27,570,649	22,327,438
Dividend Return to Common Stock	None	None	None	None	None	364,326	1,639,467	1,132,336	2,422,051*	2,018,417*	777,067
% Return on Book Value of Common Stock and Surplus	None	None	None	None	None	1.66%	7.27%	4.19%	8.62%	7.32%	3.48%

Notes: * Of this amount, \$1,211,051 was paid on January 31, 1940 to holders of record January 19, 1940 as a special dividend out of 1939 earnings. If this amount is included in 1939 the % return would be 8.66% for that year and 4.31% for 1940.

(a) Excludes dividend paid in stock of Central Distributing Company.

Source: "Watkins" Exhibits Nos. 172 and 174. Average and percentage computations by Standard & Poor's Corp.

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

PERCENT EARNED ON INVESTED CAPITAL

PRO FORMA FOR 12 MONTHS ENDED FEBRUARY 28, 1942

	As of <u>February 28, 1942</u>
<u>Invested Capital Based on Net Property, Intangibles and Working Capital</u>	
Gas Plant (including intangibles)	84,998,355
Less: Reserves for Depreciation, Depletion, Amortization, etc.	<u>13,097,984</u>
Net Gas Plant (including intangibles)	\$71,900,471
Working Capital:	
Current Assets (Net after Reserve for Uncollectible Accounts)	12,654,324
Less: Current Liabilities	<u>6,077,581</u>
Net Working Capital	<u>6,576,743</u>
Total Invested Capital	<u>\$78,477,214</u>
<u>Net Operating Income (12 Months ended February 28, 1942)</u>	
Based on Federal Income and Excess Profits Tax computed at rate levied by Revenue Act of 1941	<u>\$6,361,247</u>
Based on Federal Income and Excess Profits Tax computed at rate proposed by Secretary of Treasury Morgenthau on March 3, 1942 before House Ways and Means Committee	<u>\$4,526,619</u>
<u>Percent Earned on Invested Capital</u>	
Based on Earnings computed after taxes at 1941 rates	<u>8.11%</u>
Based on Earnings computed after taxes at 1942 proposed rates	<u>5.77%</u>

Note: * Current Assets as shown above includes investment of \$2,750,000 (principal amount) in tax anticipation notes.

Source: Computed by Standard & Poor's Corp. from pro forma data furnished by company ("Watkins" Exhibits No. 197/199 Inclusive).

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANYPERCENT EARNED ON INVESTED CAPITALPRO FORMA FOR 12 MONTHS ENDED FEBRUARY 28, 1942As of
February 28, 1942Invested Capital Based Upon Capital Structure

Debt:

Serial Notes 0.75-1.80% due 11/1/42-45
 1st Mtge. & 1st Lien "A" 1.65-2.30% due 11/1/46-50
 1st Mtge. & 1st Lien "B" 3s, 1960
 1st Mtge. & 1st Lien "C" 3s, 1962
 Leasehold Purchase Obligations

\$ 5,000,000
 6,250,000
 12,000,000
 10,000,000
6,445

Total Long Term Debt

\$33,256,445

Preferred Capital Stock, Cumulative, \$100 Par Value:
 \$6 Class "B", Non-Participating and Non-Redeemable
 5.60% Non-Participating and Redeemable

1,000,000
15,000,000

Total Preferred Capital Stock

16,000,000

Common Stock and Surplus:

Common Capital Stock, without par value
 Premium and Assessment on Capital Stock
 Earned Surplus

20,184,175
 42,490
8,347,425

Total Common Stock and Surplus

28,574,090

Total Invested Capital

\$77,830,535

Net Operating Income (12 Months ended February 28, 1942)

Based on Federal Income and Excess Profits Tax computed
 at rate levied by Revenue Act of 1941

\$6,361,247

Based on Federal Income and Excess Profits Tax computed
 at rate proposed by Secretary of Treasury Morgenthau
 on March 3, 1942 before House Ways and Means Committee

\$4,526,619

Percent Earned on Invested Capital

Based on Earnings computed after taxes at 1941 rates

8.17%

Based on Earnings computed after taxes at 1942 proposed rates

5.81%

Source: Computed by Standard & Poor's Corp. from pro forma data furnished by company ("Watkins"
 Exhibits No. 197/199 Inclusive).

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANYNET WORTH CAPITAL vs. BUDGETED PLANT EXPENDITURES DURING LAST 10 MONTHS OF 1942

	<u>Amount</u>
<u>Net Working Capital of Panhandle Eastern Pipe Line Co. as of:</u>	
(1) June 30, 1941 (excludes prepayments not shown separately on statement)	\$4,661,875
(2) December 31, 1941	3,507,683
(3) February 28, 1942 (of which \$3,624,835 was realized from new financing in 1942 as per Prospectus dated February 3, 1942)	6,576,743
 Estimated plant expenditures for the 10 months from February 28, 1942 to December 31, 1942 (includes the balance appropriated but not yet spent on account of the company's 1941 expansion program of looping and extending its lines in Michigan; Michigan Gas Transmission Corporation's expansion budget; and Panhandle Eastern Pipe Line Company's normal construction budget for 1942)	 6,530,900

Source: (1) Company's published interim statements (unaudited).
 (2) Compiled from "Watkins" Exhibit No. 172.
 (3) Compiled from "Watkins" Exhibit No. 197.

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

SCHEDULE OF SINKING FUND RETIREMENT REQUIREMENTS

OF FUNDED DEBT AND PREFERRED STOCK

	Funded Debt				Preferred Stock				Total Funded Debt and Preferred Stock			
	Par Amount O/S at Beginning of Year	Retire- ments During Year	Cost of Retire- ments	Accumulated Costs	Par Amount O/S at Beginning of Year	Retire- ments During Year	Cost of Retire- ments	Accumulated Costs	Par Amount O/S at Beginning of Year	Retire- ments During Year	Cost of Retire- ments	Accumulated Costs
Mar. 1, 1942	33,250,000	1,500,000	1,505,125	1,505,125	15,000,000	95,200	99,950	99,950	48,250,000	1,595,200	1,603,085	1,605,085
Jan. 1, 1943	31,750,000	1,750,000	1,755,250	3,260,375	14,004,800	525,000	551,250	551,210	46,554,800	2,275,000	2,307,500	3,910,585
1944	30,000,000	1,750,000	1,755,250	5,015,625	14,379,800	525,000	551,250	1,202,460	44,379,800	2,275,000	2,307,500	6,218,085
1945	28,250,000	1,750,000	1,755,250	6,771,875	13,854,800	525,000	551,250	1,753,710	42,104,800	2,275,000	2,307,500	8,525,585
1946	26,500,000	1,750,000	1,755,000	8,526,875	13,329,800	525,000	551,250	2,304,960	39,829,800	2,275,000	2,306,250	10,831,835
1947	24,750,000	1,750,000	1,755,000	10,281,875	12,804,800	525,000	551,250	2,856,210	37,554,800	2,275,000	2,306,250	13,138,085
1948	23,000,000	1,750,000	1,755,000	12,036,875	12,279,800	525,000	551,250	3,407,460	35,279,800	2,275,000	2,306,250	15,444,335
1949	21,250,000	1,750,000	1,755,000	13,791,875	11,754,800	525,000	551,250	3,958,710	33,004,800	2,275,000	2,306,250	17,750,585
1950	19,500,000	1,750,000	1,755,750	15,546,825	11,229,800	525,000	551,250	4,509,960	30,729,800	2,275,000	2,305,000	20,056,835
1951	17,750,000	1,700,000	1,721,750	17,267,375	10,704,800	525,000	551,250	5,061,210	28,454,800	2,225,000	2,273,000	22,382,585
1952	16,000,000	1,700,000	1,721,750	18,989,125	10,179,800	525,000	551,250	5,612,460	26,229,800	2,225,000	2,273,000	24,601,585
1953	14,250,000	1,700,000	1,721,750	20,710,875	9,654,800	525,000	551,250	6,163,710	24,004,800	2,225,000	2,273,000	26,874,585
1954	12,500,000	1,700,000	1,714,500	22,425,375	9,129,800	525,000	551,250	6,714,960	21,779,800	2,225,000	2,265,750	29,140,335
1955	10,750,000	1,700,000	1,714,500	24,139,875	8,604,800	525,000	551,250	7,266,210	19,554,800	2,225,000	2,265,750	31,406,085
1956	9,000,000	1,700,000	1,714,500	25,854,375	8,079,800	525,000	551,250	7,817,460	17,329,800	2,225,000	2,265,750	33,671,835
1957	7,250,000	1,700,000	1,708,500	27,562,875	7,554,800	525,000	551,250	8,368,710	15,104,800	2,225,000	2,259,750	35,931,585
1958	5,500,000	1,700,000	1,707,500	29,270,375	7,029,800	525,000	551,250	8,919,960	12,879,800	2,225,000	2,259,750	38,190,335
1959	4,150,000	1,700,000	1,701,250	30,971,625	6,504,800	525,000	551,250	9,471,210	10,654,800	2,225,000	2,252,500	40,442,835
1960	2,450,000	1,700,000	1,701,250	32,672,875	5,979,800	525,000	551,250	10,022,460	8,429,800	2,225,000	2,252,500	42,695,335
1961	750,000	750,000	750,522	33,423,500	5,454,800	525,000	551,250	10,573,710	6,204,800	1,275,000	1,301,875	43,997,210
1962	-	-	-	-	4,929,800	525,000	551,250	11,124,960	4,929,800	525,000	551,250	44,548,460
1963	-	-	-	-	4,404,800	525,000	551,250	11,676,210	4,404,800	525,000	551,250	45,099,710
1964	-	-	-	-	3,879,800	525,000	551,250	12,227,460	3,879,800	525,000	551,250	45,650,960
1965	-	-	-	-	3,354,800	525,000	551,250	12,778,710	3,354,800	525,000	551,250	46,202,210
1966	-	-	-	-	2,829,800	525,000	551,250	13,329,960	2,829,800	525,000	551,250	46,753,460
1967	-	-	-	-	2,304,800	525,000	551,250	13,881,210	2,304,800	525,000	551,250	47,304,710
1968	-	-	-	-	1,779,800	525,000	551,250	14,432,460	1,779,800	525,000	551,250	47,855,960
1969	-	-	-	-	1,254,800	525,000	551,250	14,983,710	1,254,800	525,000	551,250	48,407,210
1970	-	-	-	-	729,800	525,000	551,250	15,534,960	729,800	525,000	551,250	48,958,460
1971	-	-	-	-	204,800	204,800	215,040	15,750,000	204,800	204,800	215,040	49,173,500

Note: * Par Amount excludes from funded debt \$6,445 of leasehold purchase obligations and from preferred stock \$1,000,000 class "B" preferred stock.

Source: Compiled by Standard & Poor's Corp.

Exhibit 253

INVESTORS' APPRAISAL OF OVERALL CAPITAL RISKS IN VARIOUS
DIVISIONS OF THE UTILITY INDUSTRY

Year	Water Companies			Electric Operating Utility Companies			Manufactured and Mixed Gas Companies		
	Average Rate	Weight	Weighted Percent	Average Rate	Weight	Weighted Percent	Average Rate	Weight	Weighted Percent
1937	5.53	1	5.53	5.47	1	5.47	6.12	1	6.12
1938	5.24	2	10.48	5.52	2	11.04	6.72	2	13.44
1939	5.64	3	16.92	5.42	3	16.26	6.72	3	20.16
1940	5.13	4	20.52	5.46	4	21.84	6.89	4	27.56
1941	5.32	5	26.60	5.67	5	28.35	7.37	5	36.85
		15	80.05		15	82.96		15	104.13
Weighted Average Percent			5.34			5.53			6.94

Year	All Natural Gas Companies			Natural Gas Pipe Line Companies		
	Average Rate	Weight	Weighted Percent	Average Rate	Weight	Weighted Percent
1937	7.81	1	7.81	9.63	1	9.63
1938	7.68	2	15.36	9.62	2	19.04
1939	7.60	3	22.80	8.84	3	26.52
1940	8.03	4	32.12	9.55	4	38.20
1941	7.83	5	39.15	8.89	5	44.45
		15	117.24		15	137.84
Weighted Average Percent			7.82			9.19

Note: "Investors' Appraisal of Overall Capital Risks" as used here represents the percentage obtained by dividing "Total Earnings Available for Capital" of each group of companies by the "Total Market Value of Capital" as represented by bonds, preferred stocks and common stocks. The methods of selecting companies, as well as all working papers covering the years 1937, 1938, 1939 and 1940 have already been presented in these Hearings in Exhibits Nos. 63 and 64. Working papers for 1941 appear in Section IV of the accompanying exhibit.

Source: Compiled by Standard & Poor's Corp.

Exhibit 253

INVESTORS' APPRAISAL OF OVERALL CAPITAL RISK153 STABLE INDUSTRIAL COMPANIES

	<u>Indicated Market Value of Capital</u>	<u>Earnings Available for Capital</u>	<u>Investors' Appraisal of Risks of Capital</u>	<u>Weights</u>	<u>Weighted Percent</u>
	(\$1,000)	(\$1,000)	%		%
1937	22,692,237	1,550,677	6.83	1	6.83
1938	19,423,780	1,011,742	5.21	2	10.42
1939	21,058,280	1,315,905	6.25	3	18.75
1940	19,871,449	1,418,677	7.14	4	28.56
1941*	14,601,745	1,168,698	7.99	5	39.95
				<u>15</u>	<u>104.51</u>
					Weighted Average Percent <u>6.97%</u>

Note: * Based on 119 companies for which 1941 annual reports were available prior to April 1, 1942.

Source: Compiled by Standard & Poor's Corp. Represents data covering all industrial companies which paid common dividends in each year of the ten-year period 1932-1941, both inclusive and whose common stocks were listed on the New York Stock Exchange throughout the period. Working papers are presented in the accompanying book entitled "Investors' Appraisal of the Risks of Capital in 153 Stable Industrial Companies."

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

PROJECTION OF AVERAGE INTEREST COST ON DEBT ISSUED IN THE 1942 FINANCING
(1ST MTOE. AND 1ST LIEN SERIES "C" S. F. 3a, DUE JANUARY 1, 1962)

NET PRICE TO COMPANY - \$99.42 (AFTER \$50,000 ESTIMATED EXPENSES)

Scheduled Retirements			Effective Yield Based Upon Price of 99.42	Funds Available to Company			Total Cost of Capital Based on Effective Yield Rate
Par Amount	Date July 1	Price		Amount	Length of Time	Equivalent Amount for 1 yr.	
1	2	3	4	5	6	7=5x6	8=7x4
250,000	1942	101.25	6.70	248,550	1 1/2 yrs.	124,275	8,326
500,000	1943	101.25	4.21	497,100	1 1/2	745,650	31,392
500,000	1944	101.25	3.72	497,100	2 1/2	1,242,750	46,230
500,000	1945	101.25	3.51	497,100	3 1/2	1,739,850	61,069
500,000	1946	101.00	3.35	497,100	4 1/2	2,236,950	74,938
500,000	1947	101.00	3.28	497,100	5 1/2	2,734,050	89,677
500,000	1948	101.00	3.24	497,100	6 1/2	3,231,150	104,689
500,000	1949	101.00	3.20	497,100	7 1/2	3,728,250	119,304
500,000	1950	100.75	3.16	497,100	8 1/2	4,225,350	133,521
500,000	1951	100.75	3.14	497,100	9 1/2	4,722,450	148,285
500,000	1952	100.75	3.13	497,100	10 1/2	5,219,550	163,372
500,000	1953	100.75	3.12	497,100	11 1/2	5,716,650	178,359
500,000	1954	100.50	3.09	497,100	12 1/2	6,213,750	192,005
500,000	1955	100.50	3.09	497,100	13 1/2	6,710,850	207,365
500,000	1956	100.50	3.08	497,100	14 1/2	7,207,950	222,005
500,000	1957	100.50	3.08	497,100	15 1/2	7,705,050	237,316
500,000	1958	100.25	3.05	497,100	16 1/2	8,202,150	250,166
500,000	1959	100.25	3.05	497,100	17 1/2	8,699,250	265,327
500,000	1960	100.25	3.05	497,100	18 1/2	9,196,350	280,489
250,000	1961	100.25	3.04	248,550	19 1/2	4,846,725	147,340
500,000	1/1/62	100.00	3.04	497,100	20	9,942,000	302,237
Totals	10,000,000			9,942,000		104,391,000	3,263,412

Average Annual Interest Cost

3.13%

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

COMPUTATION OF WEIGHTED AVERAGE COST RATIO OF ALL

BOND ISSUES 1930-1942

<u>Year</u>	<u>Average Rate</u>	<u>Weight</u>	<u>Weighted Percent</u>
1930	7.20	1	7.20
1931	6.86	2	13.72
1932	6.80	3	20.40
1933	6.79	4	27.16
1934	6.79	5	33.95
1935	6.78	6	40.68
1936	7.20	7	50.40
1937	4.66	8	37.28
1938	4.66	9	41.94
1939	4.66	10	46.60
1940	4.66	11	51.26
1941	2.77	12	33.24
1942	2.88	13	37.44
Totals		<u>91</u>	<u>441.27</u>
Weighted Average Percent			<u>4.85</u>

Source: Compiled by Standard & Poor's Corp. from data appearing in Moody's Manuals, Company's Published Annual Reports and Bond Indentures.

6085

16208

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

PROJECTION OF AVERAGE INTEREST COST ON DEBT ISSUED IN THE 1941 FINANCING

(SERIAL NOTES AND 1ST LIEN AND 1ST MTGE. SERIES A AND SERIES B BONDS)

Issue	Scheduled Retirements			Effective Yield Rate	Funds Available to Company			Total Cost of Capital Based on Effective Yield Rate
	Par Amount	Date Nov. 1	Price		Amount	Length of Time	Equivalent Amount for 1 yr.	
	1	2	3	4	5	6	7=6x5	8=7x4
Serial Notes 0.75% to 1.50% due November 1, 1942 to 1945 (Net Price to Company - 100)	1,250,000	1942	100.00	0.75	1,250,000	2 yrs.	2,500,000	18,750
	1,250,000	1943	100.00	1.00	1,250,000	3	3,750,000	37,500
	1,250,000	1944	100.00	1.25	1,250,000	4	5,000,000	62,500
	1,250,000	1945	100.00	1.50	1,250,000	5	6,250,000	93,750
	5,000,000				5,000,000		17,500,000	212,500
1st Mtge. & 1st Lien "A" 1.55% to 2.30% due November 1, 1946 to 1950 (Net Price to Company - 100)	1,250,000	1946	100.00	1.65	1,250,000	6	7,500,000	123,750
	1,250,000	1947	100.00	1.65	1,250,000	7	8,750,000	161,875
	1,250,000	1948	100.00	2.00	1,250,000	8	10,000,000	200,000
	1,250,000	1949	100.00	2.15	1,250,000	9	11,250,000	241,875
	1,250,000	1950	100.00	2.30	1,250,000	10	12,500,000	287,500
	6,250,000				6,250,000		50,000,000	1,015,000
1st Mtge. & 1st Lien "B" S.P. 3's, November 1, 1960 (Net Price to Company - 99.02)	1,200,000	1951	101 1/2	3.22	1,188,240	11	13,070,640	420,875
	1,200,000	1952	101 1/2	3.20	1,188,240	12	14,258,880	456,284
	1,200,000	1953	101 1/2	3.18	1,188,240	13	15,447,120	491,218
	1,200,000	1954	101	3.14	1,188,240	14	16,635,360	522,350
	1,200,000	1955	101	3.13	1,188,240	15	17,823,600	557,879
	1,200,000	1956	101	3.13	1,188,240	16	19,011,840	595,071
	1,200,000	1957	100 1/2	3.10	1,188,240	17	20,200,080	626,202
	1,200,000	1958	100 1/2	3.10	1,188,240	18	21,388,320	663,038
	1,200,000	1959	100	3.07	1,188,240	19	22,576,560	693,100
	1,200,000	1960	100	3.06	1,188,240	20	23,764,800	727,203
	12,000,000				11,882,400		184,177,200	5,753,220
GRAND TOTAL					23,132,400		251,677,200	6,980,720

Average Annual Interest Cost of Above Issue

3.12

Average Annual Interest Cost of All Issues

2.77

Source: Compiled by Standard & Poor's Corp.

Exhibit 253

Table Supporting Chart No. 15

16209

PANHANDLE EASTERN PIPE LINE COMPANY

COST OF FINANCING AS INDICATED BY SALE OF \$15,000,000 5.60% CUMULATIVE
SINKING FUND PREFERRED STOCK (\$100 PAR)

DATED - JANUARY 1, 1942: PRICE RECEIVED - \$99.68 (AFTER \$90,000 ESTIMATED EXPENSES)

SINKING FUND: FIXED AND CONTINGENT SINKING FUND PAYMENTS WILL RETIRE ANNUALLY 3 1/2%
OF THE GREATEST AMOUNT OUTSTANDING. CALL PRICE FOR THE SINKING FUND IS \$105.

Scheduled Retirements			Effective Yield Based Upon Price of 99.68	Funds Available to Company			Total Cost of Capital Based on Effective Yield Rate
Par Amount	Date July 1	Price		Amount	Length of Time	Equivalent Amount for 1 yr.	
1	2	3	4	5	6	7=5x6	8=7x4
(a) 95,200	1942	105	16.22	94,895	1 1/2 yrs.	47,448	7,696
525,000	1943	105	10.82	523,320	1 1/2	784,980	84,935
525,000	1944	105	9.03	523,320	2 1/2	1,308,300	118,139
525,000	1945	105	6.97	523,320	3 1/2	1,831,620	127,664
525,000	1946	105	6.65	523,320	4 1/2	2,354,940	156,604
525,000	1947	105	6.43	523,320	5 1/2	2,878,260	185,072
525,000	1948	105	6.29	523,320	6 1/2	3,401,580	213,959
525,000	1949	105	6.18	523,320	7 1/2	3,924,900	242,559
525,000	1950	105	6.10	523,320	8 1/2	4,448,220	271,341
525,000	1951	105	6.04	523,320	9 1/2	4,971,540	300,281
525,000	1952	105	5.99	523,320	10 1/2	5,494,860	329,142
525,000	1953	105	5.94	523,320	11 1/2	6,018,180	357,480
525,000	1954	105	5.91	523,320	12 1/2	6,541,500	386,603
525,000	1955	105	5.88	523,320	13 1/2	7,064,820	415,411
525,000	1956	105	5.85	523,320	14 1/2	7,588,140	443,906
525,000	1957	105	5.83	523,320	15 1/2	8,111,460	472,898
525,000	1958	105	5.81	523,320	16 1/2	8,634,780	501,681
525,000	1959	105	5.79	523,320	17 1/2	9,158,100	530,234
525,000	1960	105	5.78	523,320	18 1/2	9,681,420	559,586
525,000	1961	105	5.77	523,320	19 1/2	10,204,740	588,813
525,000	1962	105	5.75	523,320	20 1/2	10,728,060	616,863
525,000	1963	105	5.74	523,320	21 1/2	11,251,380	645,829
525,000	1964	105	5.73	523,320	22 1/2	11,774,700	674,690
525,000	1965	105	5.72	523,320	23 1/2	12,298,020	703,447
525,000	1966	105	5.72	523,320	24 1/2	12,821,340	733,381
525,000	1967	105	5.71	523,320	25 1/2	13,344,660	761,980
525,000	1968	105	5.70	523,320	26 1/2	13,867,980	790,475
525,000	1969	105	5.70	523,320	27 1/2	14,391,300	820,304
525,000	1970	105	5.69	523,320	28 1/2	14,914,620	848,642
204,800	1971	105	5.69	204,145	29 1/2	6,022,277	342,668
Totals	15,000,000			14,952,000		225,854,125	13,232,303

Average Cost of Financing

5.86%

Note: (a) Amount to be retired at call price of \$105 with initial \$100,000 deposit in sinking fund.

Source: Compiled by Standard & Poor's Corp. from data contained in the Offering Prospectus.

6089

Table Supporting Chart No. 16

16210

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

HISTORICAL COST OF PREFERRED STOCK

Issue	1936	1937	1938	1939	1940	1941	1942
\$6 Class A pfd. stock, participating and redeemable (\$100 par)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	-
\$6 Class B pfd. stock, non-participating and non-redeemable (\$100 par)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
5.60% Cum. pfd. (\$100 par)	-	-	-	-	-	-	15,000,000
Total	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000	16,000,000
<u>Dividend Requirements</u>							
\$6 Class A pfd. - regular	(a) 600,000	600,000	600,000	600,000	600,000	600,000	-
- participating	-	-	182,163	-	403,684	336,403	-
\$6 Class B pfd.	(a) 60,000	60,000	60,000	60,000	60,000	60,000	60,000
5.60% Cum. pfd. (\$100 par)	-	-	-	-	-	-	(b) 879,000
Total	660,000	660,000	842,163	660,000	1,063,684	996,403	939,000
Percent Cost	6.00%	6.00%	7.66%	6.00%	9.67%	9.06%	5.87%

Notes: (a) Paid May 3, 1937.

(b) Based on average cost considering requirement to retire issue at sinking fund price of 105.

<u>Weighted Average</u>			
Year	%	Weight	Total
1936	6.00	1	6.00
1937	6.00	2	12.00
1938	7.66	3	22.98
1939	6.00	4	24.00
1940	9.67	5	48.35
1941	9.06	6	54.36
1942	5.87	7	41.09
		28	208.78

Weighted Average Yield 7.46%

PANHANDLE EASTERN PIPE LINE COMPANYASSUMED COST OF FINANCING \$15,000,000 5.60% CUMULATIVE SINKING FUND PREFERRED STOCK (\$100 PAR)

ASSUMED PRICE TO PUBLIC \$100 PER SHARE INSTEAD OF \$104 -
 ASSUMED NET PRICE TO COMPANY \$95.68 PER SHARE INSTEAD OF \$99.68

SINKING FUND: FIXED AND CONTINGENT SINKING FUND PAYMENTS WILL RETIRE 3 1/2% OF THE GREATEST
 AMOUNT OUTSTANDING: CALL PRICE FOR THE SINKING FUND IS \$105

Scheduled Retirements			Effective Yield Based Upon Price of 95.68 %	Funds Available to Company			Total Cost of Capital Based on Effective Yield Rate
Par Amount	Date July 1	Price		Amount	Length of Time	Equivalent Amount for 1 yr.	
1	2	3	4	5	6	7=5x6	8=7x4
(a) 95,200	1942	105	23.79	91,087	1/2 yrs.	45,544	10,835
525,000	1943	105	11.75	502,320	1 1/2	753,480	88,534
525,000	1944	105	9.31	502,320	2 1/2	1,255,800	116,915
525,000	1945	105	8.26	502,320	3 1/2	1,758,120	145,221
525,000	1946	105	7.68	502,320	4 1/2	2,260,440	173,602
525,000	1947	105	7.30	502,320	5 1/2	2,762,760	201,681
525,000	1948	105	7.04	502,320	6 1/2	3,265,080	229,862
525,000	1949	105	6.85	502,320	7 1/2	3,767,400	258,067
525,000	1950	105	6.70	502,320	8 1/2	4,269,720	286,071
525,000	1951	105	6.59	502,320	9 1/2	4,772,040	314,477
525,000	1952	105	6.50	502,320	10 1/2	5,274,360	342,833
525,000	1953	105	6.42	502,320	11 1/2	5,776,680	370,863
525,000	1954	105	6.36	502,320	12 1/2	6,279,000	399,344
525,000	1955	105	6.30	502,320	13 1/2	6,781,320	427,223
525,000	1956	105	6.25	502,320	14 1/2	7,283,640	455,228
525,000	1957	105	6.22	502,320	15 1/2	7,785,960	484,287
525,000	1958	105	6.19	502,320	16 1/2	8,288,280	513,045
525,000	1959	105	6.15	502,320	17 1/2	8,790,600	540,622
525,000	1960	105	6.13	502,320	18 1/2	9,292,920	569,656
525,000	1961	105	6.10	502,320	19 1/2	9,795,240	597,510
525,000	1962	105	6.08	502,320	20 1/2	10,297,560	626,092
525,000	1963	105	6.06	502,320	21 1/2	10,799,880	654,473
525,000	1964	105	6.05	502,320	22 1/2	11,302,200	683,783
525,000	1965	105	6.03	502,320	23 1/2	11,804,520	711,813
525,000	1966	105	6.02	502,320	24 1/2	12,306,840	740,872
525,000	1967	105	6.00	502,320	25 1/2	12,809,160	768,550
525,000	1968	105	5.99	502,320	26 1/2	13,311,480	797,358
525,000	1969	105	5.98	502,320	27 1/2	13,813,800	826,065
525,000	1970	105	5.97	502,320	28 1/2	14,316,120	854,672
204,800	1971	105	5.96	198,953	29 1/2	5,780,614	344,525
Totals	15,000,000			14,352,000		216,800,558	13,534,079

Average Cost of Financing

6.24%

Note: (a) Amount to be retired at call price of \$105 with initial \$100,000 deposit in sinking fund.

Source: Compiled by Standard & Poor's Corp. from data obtained from the Bankers' Syndicate.

Table Supporting Chart No. 21

Exhibit 253

EARNINGS-PRICE RATIOS OF NATURAL GAS PIPE LINE COMPANY COMMON STOCKS1937 - 1941

	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>
	<u>Earnings Available for Common Stocks</u>				
El Paso Natural Gas	\$ 1,782,425	\$ 1,980,110	\$ 2,254,619	\$ 2,256,959	\$ 2,038,333
Interstate Natural Gas	2,383,513	2,032,488	2,014,221	1,972,286	2,049,129
Memphis Natural Gas	710,342	585,737	601,185	636,710	* 636,710
Southern Natural Gas	(a)	(a)	1,765,412	2,194,128	2,439,711
Panhandle Eastern	(b)	(b)	3,080,312	3,219,006	3,411,132
Northern Natural	(c)	(c)	(c)	(c)	3,346,878
Total	<u>4,876,280</u>	<u>4,598,335</u>	<u>9,715,749</u>	<u>10,279,087</u>	<u>13,921,893</u>

	<u>Aggregate Market Price of Common Stocks</u>				
	<u>(Based on Average of High and Low Market Prices)</u>				
El Paso Natural Gas	\$ 12,913,910	\$ 14,083,994	\$ 21,284,396	\$ 20,418,100	\$ 16,471,644
Interstate Natural Gas	24,062,063	20,250,251	22,632,634	22,756,518	20,488,490
Memphis Natural Gas	4,253,488	3,619,599	3,794,148	4,023,818	3,959,511
Southern Natural Gas	(a)	(a)	8,172,166	10,898,527	16,558,241
Panhandle Eastern	(b)	(b)	32,092,838	23,768,884	29,775,695
Northern Natural	(c)	(c)	(c)	(c)	28,988,400
Total	<u>41,229,461</u>	<u>37,953,844</u>	<u>87,976,182</u>	<u>81,865,847</u>	<u>116,241,981</u>

	<u>Earnings Price Ratios</u>				
El Paso Natural Gas	13.80	14.06	10.59	11.05	12.37
Interstate Natural Gas	9.91	10.04	8.90	8.67	10.00
Memphis Natural Gas	16.70	16.18	15.85	15.82	16.08
Southern Natural Gas	-	-	21.60	20.13	14.73
Panhandle Eastern	-	-	9.60	13.54	11.46
Northern Natural	-	-	-	-	11.55

Weighted Average (Obtained by
dividing Total Earnings Available
for Common Stocks by Total Market
Price of Common Stocks)

11.83 12.12 11.04 12.56 11.98

Simple Average (Represents an average
of Earnings-Price Ratios of each company)

13.47 13.43 13.51 13.84 12.70

Notes: (*) Represents 1940 Earnings. 1941 Earnings not Available.
(a) Prior to May 1939 there were two classes of common outstanding, Class A and Class B.
(b) No stock was held by public prior to September, 1939.
(c) No stock was held by public prior to September, 1941.

Source: Compiled by Standard & Poor's Corp. from Annual Reports of the various companies and market prices obtained from Moody's Utility Manuals and the National Quotation Bureau.

16213

Table Supporting Chart No. 22

Exhibit 253

AVERAGE EARNINGS PRICE RATIOS OF
NATURAL GAS PIPE LINE COMPANY COMMON STOCKS

<u>Assuming an Equal Dollar Investment in Each Common Stock</u>				<u>Assuming Purchase of all Common Stock Outstanding</u>			
	<u>Percent</u>	<u>Weight</u>	<u>Weighted Percent</u>		<u>Percent</u>	<u>Weight</u>	<u>Weighted Percent</u>
1937	13.47	1	13.47		11.83	1	11.83
1938	13.43	2	26.86		12.12	2	24.24
1939	13.51	3	40.53		11.04	3	33.12
1940	13.84	4	55.36		12.56	4	50.24
1941	12.70	5	63.50		11.98	5	59.90
		15	199.72			15	179.33
Weighted Average Percent			13.31				11.96

Source: Compiled by Standard & Poor's Corp. from data on preceding table.

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANYMINIMUM EARNINGS REQUIRED TO MAINTAIN CREDIT POSITION(BASED ON ACTUAL COST OF BONDS AND PREFERRED STOCK
AND INVESTORS' APPRAISAL OF COMMON STOCK)

<u>Invested Capital as of February 28, 1942</u>	<u>Principal Amount</u>	<u>Yield Rate</u>	<u>Earnings Requirements</u>
<u>Long-Term Debt</u>			
Serial Notes A, B, C & D 0.75-1.50%, 11/1/42-45	5,000,000		
1st Mtge. & Trust Lien "A" 1.65-2.30%, 1946-50.	6,250,000		
1st Mtge. & 1st Lien S. F. "B" 3's, 1960	12,000,000		
1st Mtge. & 1st Lien S. F. "C" 3's, 1962	10,000,000		
Leasehold Purchase Obligations	6,445		
Total Long-Term Debt	33,256,445	(a) 2.88	957,786
<u>Preferred Stock</u>			
5.60% Cum. Pfd. (\$100 par) (150,000 shs.)	15,000,000	(b) 5.66	879,000
\$6 Cum. Pfd. Class "B" (10,000 shs.)	1,000,000	6.00	60,000
	16,000,000	5.87	939,000
<u>Common Stock and Surplus (807,367 shs.)</u>	28,574,090	(c) 12.00	3,428,891
Total Invested Capital	77,830,535	6.84	5,325,677

Notes: (a) Based upon average annual cost of senior capital raised in 1941 and 1942 financing.
 (b) Based upon cost of preferred stock giving weight to sinking fund retirement price of 106.
 (c) Based upon estimated cost of common stock financing.

Source: Compiled by Standard & Poor's Corp.

Exhibit 253

PANHANDLE EASTERN PIPE LINE COMPANY

MINIMUM EARNINGS REQUIRED TO MAINTAIN CREDIT POSITION

(BASED ON ACTUAL COST OF BONDS AND INVESTORS' APPRAISAL
OF PREFERRED STOCK AND COMMON STOCK)

<u>Invested Capital as of February 28, 1942</u>	<u>Principal Amount</u>	<u>Yield Rate</u>	<u>Earnings Requirements</u>
<u>Long-Term Debt</u>			
Serial Notes A, B, C & D 0.75-1.50%, 11/1/42-45	5,000,000		
1st Mtge. & Trust Lien "A" 1.65-2.30%, 1946-50	6,250,000		
1st Mtge. & 1st Lien S. F. "B" 3's, 1960	12,000,000		
1st Mtge. & 1st Lien S. F. "C" 3's, 1962	10,000,000		
Leasehold Purchase Obligations	6,445		
Total Long-Term Debt	33,256,445	(a) 2.88	957,786
<u>Preferred Stock</u>			
5.60% Cum. Pfd. (\$100 par) (150,000 shs.)	15,000,000	(b) 6.24	936,000
\$6 Cum. Pfd. Class "B" (10,000 shs.)	1,000,000	6.00	60,000
	16,000,000	6.23	996,000
<u>Common Stock and Surplus (807,367 shs.)</u>	28,574,090	(c) 12.00	3,428,891
Total Invested Capital	77,830,535	6.92	5,382,677

- Notes: (a) Based upon average annual cost of senior capital raised in 1941 and 1942 financing.
 (b) Based upon revised prices for preferred stock indicated by action of bankers syndicate in lower public offering price of \$4.00 per share and giving effect to sinking fund retirement price of \$105.
 (c) Based upon estimated cost of common stock financing.

Source: Compiled by Standard & Poor's Corp.

Exhibit 253

Table Supporting Chart No. 27

16216

PRIME MONEY RATES
60-90 DAY TIME LOANS (N.Y.S.E.)
4-6 MONTHS COMMERCIAL PAPER (PRIME)
CALL LOANS, RENEWALS (N.Y.S.E.)

MONTHLY, 1930 TO MARCH, 1942, INCLUSIVE

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
-----60-90 Day Time Loans (N.Y.S.E.)-----													
1930	4.70	4.66	4.16	4.05	3.41	2.88	2.68	2.50	2.44	2.38	2.16	2.28	3.19
1931	2.07	1.68	1.84	1.88	1.66	1.50	1.40	1.43	1.50	2.88	3.38	3.33	2.05
1932	3.62	3.63	3.13	2.45	1.63	1.49	1.43	1.38	1.27	0.90	0.51	0.50	1.83
1933	0.50	0.78	2.91	1.18	0.84	0.90	1.11	1.05	0.62	0.63	0.77	1.01	1.03
1934	1.00	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88	0.88
1935	0.88	0.88	0.88	0.61	0.27	0.25	0.25	0.25	0.25	0.31	1.00	1.00	0.57
1936	1.00	1.00	1.00	1.00	1.17	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.16
1937	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
1938	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
1939	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
1940	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
1941	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
1942	1.25	1.25	1.25										
-----4-6 Months Commercial Paper (Prime)-----													
1930	4.65	4.63	4.19	3.88	3.72	3.50	3.13	3.00	3.00	3.00	2.97	2.88	3.56
1931	2.84	2.64	2.52	2.38	2.18	2.00	2.00	1.94	2.01	3.29	4.03	3.88	2.64
1932	3.68	3.84	3.63	3.70	3.27	2.94	2.53	2.32	2.25	2.07	1.75	1.65	2.84
1933	1.45	1.25	3.21	3.03	2.08	1.92	1.75	1.75	1.53	1.50	1.50	1.50	1.87
1934	1.50	1.50	1.26	1.25	1.19	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.14
1935	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.86	0.75	0.75	0.75	0.75	0.91
1936	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75
1937	0.75	0.75	0.82	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.94
1938	1.00	1.00	0.88	0.88	0.88	0.88	0.75	0.75	0.69	0.69	0.69	0.63	0.81
1939	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.69	0.69	0.63	0.56	0.59
1940	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
1941	0.56	0.56	0.56	0.56	0.56	0.56	0.50	0.50	0.50	0.50	0.50	0.56	0.54
1942	0.56	0.56	0.56										
-----Call Loans, Renewals (N.Y.S.E.)-----													
1930	4.64	4.32	3.69	4.00	3.12	2.62	2.20	2.21	2.19	2.00	2.00	2.23	2.94
1931	1.57	1.50	1.55	1.52	1.45	1.50	1.50	1.50	1.50	2.10	2.50	2.70	1.74
1932	2.65	2.50	2.50	2.50	2.50	2.50	2.08	2.00	2.00	1.39	1.00	1.00	2.05
1933	1.00	1.00	3.56	1.43	1.00	1.00	1.00	0.94	0.75	0.75	0.75	0.94	1.18
1934	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1935	1.00	1.00	1.00	0.64	0.25	0.25	0.25	0.25	0.25	0.29	0.75	0.75	0.56
1936	0.75	0.75	0.75	0.75	0.92	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.91
1937	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1938	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1939	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1940	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1941	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
1942	1.00	1.00	1.00										

Source: Standard Trade & Securities - Statistical Section.

Exhibit 253

Table Supporting Chart No. 28

COMMERCIAL LOAN RATES

16217

BANK RATES TO CUSTOMERS IN PRINCIPAL CITIES

MONTHLY, 1930-1941

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
-----In New York City-----													
1930	5.43	5.10	4.91	4.61	4.44	4.28	4.22	4.14	4.00	3.92	3.79	3.82	4.39
1931	3.74	3.89	3.67	3.67	3.57	3.66	3.70	3.58	3.50	3.82	4.55	4.48	3.82
1932	4.51	4.52	4.53	4.46	4.24	4.38	4.22	4.14	3.94	4.01	3.66	3.78	4.20
1933	3.62	3.66	4.79	3.94	3.71	3.51	3.29	3.32	3.00	2.96	2.80	2.61	3.43
1934	2.81	2.62	2.61	2.50	2.55	2.34	2.33	2.42	2.32	2.36	2.32	2.27	2.45
1935	1.79	1.81	1.81	1.74	1.81	1.79	1.74	1.76	1.66	1.73	1.73	1.78	1.76
1936	1.71	1.71	1.74	1.71	1.71	1.71	1.67	1.74	1.70	1.70	1.74	1.74	1.72
1937	1.75	1.75	1.75	1.75	1.73	1.73	1.73	1.73	1.65	1.73	1.70	1.70	1.73
1938	1.70	1.70	1.65	1.70	1.70	1.70	1.70	1.67	1.70	1.70	1.70	1.70	1.69
1939	1.73	1.70	2.13			2.15			2.04			1.98	2.07
1940			2.03			2.00			2.14			2.00	
1941			2.08			1.95			1.98			1.88	
-----In 7 Other Northern and Eastern Cities-----													
1930	5.72	5.55	5.30	4.98	4.93	4.89	4.53	4.47	4.44	4.49	4.38	4.38	4.84
1931	4.23	4.31	4.29	4.22	4.19	4.15	4.08	4.10	4.09	4.30	4.53	4.60	4.26
1932	4.86	4.93	4.93	4.89	4.89	4.92	4.80	4.88	4.71	4.68	4.60	4.61	4.81
1933	4.53	4.38	5.14	4.88	4.66	4.68	4.50	4.31	4.20	4.05	4.07	4.09	4.46
1934	4.17	3.98	3.94	3.97	3.66	3.59	3.55	3.53	3.56	3.56	3.46	3.45	3.71
1935	3.57	3.55	3.57	3.53	3.41	3.34	3.46	3.26	3.29	3.32	3.16	3.22	3.39
1936	3.12	3.16	3.14	2.96	2.99	3.02	3.09	3.02	2.97	3.07	3.05	2.94	3.04
1937	2.93	2.96	2.87	2.93	3.01	2.79	2.82	2.76	2.83	2.93	2.98	2.72	2.88
1938	2.92	2.65	2.64	2.60	2.64	2.78	2.78	2.71	2.74	2.90	2.68	2.95	2.75
1939	2.97	2.69	3.09			3.05			2.78			2.59	2.87
1940			2.67			2.49			2.56			2.53	
1941			2.53			2.58			2.62			2.45	
-----In 11 Southern and Western Cities-----													
1930	5.90	5.80	5.73	5.56	5.42	5.36	5.31	5.26	5.15	5.18	5.17	5.01	5.40
1931	5.01	4.96	4.90	4.93	4.74	4.89	4.72	4.75	4.76	4.85	5.18	5.15	4.90
1932	5.26	5.25	5.29	5.25	5.22	5.18	5.20	5.29	5.20	5.07	5.07	5.19	5.21
1933	5.11	5.05	5.35	5.25	5.27	5.15	4.99	5.00	4.95	4.82	4.74	4.78	5.04
1934	4.74	4.60	4.65	4.60	4.46	4.24	4.25	4.00	4.10	4.12	4.01	4.03	4.32
1935	4.12	3.92	3.94	3.85	3.94	3.80	3.85	3.87	3.53	3.57	3.52	3.65	3.76
1936	3.50	3.56	3.56	3.46	3.43	3.51	3.45	3.29	3.33	3.25	3.27	3.14	3.40
1937	3.23	3.15	3.17	3.28	3.25	3.29	3.27	3.26	3.30	3.28	3.26	3.23	3.25
1938	3.28	3.21	3.28	3.25	3.20	3.31	3.35	3.28	3.26	3.21	3.20	3.23	3.26
1939	3.32	3.26	3.77			3.62			3.31			3.32	3.51
1940			3.35			3.38			3.43			3.36	
1941			3.25			3.23			3.29			2.99	

Source: Federal Reserve Board - Survey of Current Business.

6105 16218

Exhibit 253

YIELDS ON U. S. GOVERNMENT AND MUNICIPAL BONDSMONTHLY, 1930 TO MARCH, 1942, INCLUSIVE

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Avg.</u>
-----Long Term U. S. Government Bonds-----													
1930	3.42	3.46	3.40	3.36	3.34	3.28	3.26	3.27	3.27	3.24	3.22	3.22	3.31
1931	3.25	3.38	3.38	3.29	3.26	3.15	3.20	3.21	3.17	3.38	3.71	3.68	3.34
1932	4.06	4.25	3.93	3.94	3.56	3.86	3.63	3.47	3.46	3.40	3.42	3.43	3.70
1933	3.26	3.22	3.59	3.39	3.47	3.28	3.22	3.27	3.22	3.28	3.31	3.53	3.34
1934	3.47	3.38	3.28	3.18	3.08	2.99	2.95	3.01	3.16	3.18	3.07	2.99	3.14
1935	2.87	2.77	2.73	2.69	2.69	2.68	2.63	2.71	2.81	2.79	2.76	2.74	2.74
1936	2.72	2.66	2.58	2.57	2.57	2.61	2.62	2.58	2.56	2.57	2.51	2.43	2.58
1937	2.41	2.41	2.62	2.80	2.75	2.73	2.68	2.70	2.75	2.73	2.68	2.63	2.66
1938	2.57	2.57	2.55	2.55	2.42	2.39	2.38	2.36	2.46	2.33	2.36	2.32	2.44
1939	2.29	2.26	2.20	2.19	2.34	1.98	2.00	2.02	2.51	2.42	2.26	2.15	2.19
1940	2.13	2.15	2.07	2.04	2.24	2.25	2.10	2.10	2.03	1.98	1.85	1.79	2.06
1941	1.89	2.02	1.95	1.86	1.82	1.78	1.76	1.83	1.83	1.81	1.76	1.97	1.86
1942	2.03	2.11	2.02										
-----Intermediate Term U. S. Government Bonds (about 7 1/2 years maturity)-----													
1930	3.93	4.00	3.85	3.73	3.72	3.52	3.35	3.25	3.20	3.14	3.12	3.12	3.49
1931	3.09	3.20	3.29	3.20	3.15	3.01	3.01	3.02	3.03	3.34	3.70	3.65	3.22
1932	4.12	4.31	3.93	3.92	3.52	3.82	3.59	3.36	3.30	3.22	3.22	3.20	3.63
1933	3.05	2.98	3.49	3.24	3.31	3.08	3.00	3.09	3.06	3.13	3.16	3.40	3.17
1934	3.42	3.31	3.23	3.10	2.85	2.68	2.54	2.50	2.62	2.88	2.91	2.74	2.90
1935	2.60	2.42	2.21	2.01	1.91	1.87	1.98	2.07	2.31	2.58	2.55	2.47	2.25
1936	2.43	2.34	2.21	2.13	2.08	2.08	2.09	2.03	1.97	1.97	1.84	1.75	2.08
1937	1.87	1.96	2.16	2.43	2.41	2.31	2.23	2.25	2.32	2.29	2.24	2.16	2.22
1938	2.04	2.00	1.97	2.48	2.15	1.73	1.78	1.75	1.85	1.74	1.74	1.70	1.91
1939	1.65	1.58	1.42	1.42	1.25	1.20	1.24	1.28	1.99	1.84	1.49	1.42	1.48
1940	1.41	1.41	1.31	1.32	1.55	1.60	1.40	1.42	1.32	1.26	1.07	0.99	1.34
1941	1.18	1.40	1.38	1.28	1.24	1.18	1.12	1.17	1.22	1.24	1.25	1.48	1.26
1942	1.56	1.66	1.54										

Source: Standard Trade & Securities - Statistical Section

Exhibit 253

YIELDS ON U. S. GOVERNMENT AND MUNICIPAL BONDS

MONTHLY, 1930 TO MARCH, 1942, INCLUSIVE

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Avg.</u>
-----Short Term U. S. Government Bonds (About 3 1/2 years maturity)-----													
1930	3.64	3.80	3.65	3.53	3.47	3.33	3.14	3.10	3.13	3.03	3.01	2.97	3.32
1931	2.88	3.10	2.74	2.70	2.55	2.10	2.10	2.09	1.80	2.90	3.45	3.80	2.68
1932	4.52	4.38	4.15	3.80	2.40	2.74	2.42	2.80	2.81	2.75	2.55	2.45	3.13
1933	2.34	2.16	3.30	2.96	2.89	2.42	2.32	2.39	2.25	2.29	2.43	3.07	2.57
1934	2.97	2.82	2.48	2.08	1.86	1.69	1.60	1.72	2.09	2.21	2.02	1.81	2.11
1935	1.57	1.29	1.08	1.00	0.97	0.92	0.82	0.94	1.26	1.32	1.25	1.22	1.14
1936	1.12	1.04	1.01	1.01	1.00	1.05	1.10	1.04	1.03	1.06	0.98	0.98	1.03
1937	1.12	1.22	1.45	1.54	1.47	1.49	1.42	1.42	1.42	1.29	1.22	1.11	1.35
1938	1.00	0.97	0.88	0.85	0.68	0.55	0.58	0.60	0.69	0.58	0.60	0.53	0.71
1939	0.50	0.47	0.34	0.32	0.29	0.29	0.35	0.35	0.99	0.66	0.46	0.31	0.44
1940	0.31	0.33	0.28	0.32	0.60	0.72	0.55	0.54	0.41	0.37	0.30	0.32	0.42
1941	0.39	0.53	0.48	0.51	0.41	0.36	0.34	0.32	0.30	0.38	0.53	0.62	0.43
1942	0.46	0.43											
-----Municipal Bonds-----													
1930	4.22	4.24	4.12	4.11	4.11	4.10	4.05	3.97	3.97	3.94	4.00	4.05	4.07
1931	3.92	3.95	3.89	3.80	3.75	3.76	3.85	3.83	3.91	4.35	4.42	4.64	4.01
1932	4.92	5.03	4.79	4.73	4.77	4.81	4.78	4.50	4.39	4.37	4.38	4.37	4.65
1933	4.23	4.28	4.88	5.05	5.27	4.71	4.60	4.54	4.59	4.60	4.89	4.89	4.71
1934	4.67	4.48	4.23	4.12	4.00	3.88	3.85	3.88	3.94	3.84	3.78	3.61	4.03
1935	3.57	3.41	3.41	3.40	3.43	3.42	3.32	3.35	3.44	3.45	3.34	3.32	3.41
1936	3.27	3.22	3.18	3.17	3.16	3.16	3.13	3.06	2.97	2.94	2.85	2.76	3.07
1937	2.79	2.96	3.19	3.24	3.14	3.11	3.07	3.01	3.18	3.24	3.17	3.15	3.10
1938	3.03	2.99	2.99	3.03	2.91	2.91	2.87	2.82	3.02	2.82	2.74	2.75	2.91
1939	2.70	2.70	2.67	2.75	2.66	2.63	2.65	2.75	3.29	3.08	2.69	2.56	2.76
1940	2.34	2.60	2.58	2.56	2.81	2.85	2.54	2.49	2.44	2.32	2.18	2.07	2.50
1941	2.16	2.27	2.28	2.20	2.14	2.08	2.03	2.02	1.99	1.91	1.90	2.25	2.10
1942	2.33	2.55	2.58										

Source: Standard Trade & Securities - Statistical Section.

Exhibit 253

STANDARD'S HIGHEST GRADE (A1+) CORPORATE BOND YIELDS - BY INDUSTRY

MONTHLY, 1930 TO MARCH, 1942, INCLUSIVE

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
-----Composite-----													
1930	4.88	4.87	4.85	4.78	4.75	4.74	4.69	4.68	4.61	4.56	4.55	4.59	4.71
1931	4.69	4.57	4.55	4.51	4.49	4.42	4.41	4.40	4.42	4.46	4.77	4.95	4.55
1932	5.21	5.29	5.52	5.29	5.47	5.43	5.48	5.49	5.20	5.01	4.99	4.97	5.28
1933	4.90	4.53	4.97	4.97	5.08	4.68	4.57	4.48	4.44	4.48	4.48	4.70	4.69
1934	4.54	4.38	4.30	4.19	4.14	4.10	4.01	4.00	3.99	4.06	4.01	3.94	4.14
1935	3.89	3.76	3.68	3.67	3.61	3.60	3.54	3.48	3.53	3.55	3.54	3.51	3.61
1936	3.47	3.43	3.41	3.37	3.37	3.36	3.32	3.33	3.30	3.27	3.27	3.21	3.34
1937	3.22	3.22	3.27	3.37	3.34	3.33	3.31	3.30	3.33	3.33	3.30	3.27	3.30
1938	3.24	3.23	3.24	3.32	3.24	3.25	3.20	3.17	3.20	3.14	3.10	3.09	3.20
1939	3.02	3.02	2.99	2.99	2.96	2.94	2.93	2.95	3.25	3.16	3.01	2.97	3.02
1940	2.93	2.91	2.91	2.89	2.97	3.00	2.93	2.93	2.84	2.89	2.87	2.84	2.91
1941	2.87	2.88	2.89	2.92	2.88	2.86	2.83	2.80	2.79	2.77	2.76	2.84	2.84
1942	2.85	2.86	2.88										
-----Industrial Bonds-----													
1930	5.01	5.00	5.01	4.92	4.87	4.88	4.88	4.86	4.75	4.76	4.75	4.80	4.87
1931	4.91	4.77	4.77	4.72	4.71	4.66	4.63	4.68	4.75	4.71	5.00	5.19	4.79
1932	5.36	5.48	5.63	5.29	5.60	5.68	5.93	5.97	5.66	5.35	5.57	5.41	5.58
1933	5.30	5.05	5.26	5.29	5.62	5.04	4.80	4.72	4.73	4.70	4.53	4.68	4.98
1934	4.69	4.56	4.43	4.34	4.26	4.26	4.18	4.16	4.16	4.21	4.16	4.04	4.28
1935	4.00	3.89	3.82	3.84	3.82	3.78	3.74	3.59	3.66	3.57	3.48	3.54	3.72
1936	3.44	3.40	3.40	3.36	3.39	3.39	3.34	3.32	3.30	3.29	3.27	3.19	3.34
1937	3.19	3.15	3.23	3.33	3.22	3.14	3.14	3.09	3.17	3.12	3.07	3.03	3.16
1938	2.90	2.93	2.93	2.97	2.87	2.87	2.81	2.76	2.79	2.72	2.66	2.64	2.82
1939	2.53	2.53	2.54	2.59	2.58	2.63	2.59	2.59	2.97	2.87	2.65	2.59	2.64
1940	2.51	2.52	2.58	2.55	2.65	2.51	2.58	2.59	2.66	2.57	2.58	2.50	2.57
1941	2.50	2.55	2.61	2.68	2.58	2.53	2.50	2.45	2.42	2.36	2.33	2.51	2.50
1942	2.53	2.50	2.54										

Source: Standard Trade & Securities - Statistical Section.

6111 16221

Exhibit 253

STANDARD'S HIGHEST GRADE (A1+) CORPORATE BOND YIELDS - BY INDUSTRY

MONTHLY, 1930 TO MARCH, 1942, INCLUSIVE

	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Avg.</u>
-----Railroad Bonds-----													
1930	4.71	4.71	4.65	4.55	4.54	4.53	4.55	4.45	4.38	4.34	4.33	4.37	4.51
1931	4.50	4.38	4.35	4.32	4.33	4.26	4.27	4.24	4.29	4.39	4.73	4.97	4.42
1932	5.35	5.31	5.64	5.48	5.67	5.62	5.66	5.58	5.23	5.02	4.93	5.01	5.47
1933	4.99	4.29	4.82	4.95	4.95	4.50	4.45	4.30	4.20	4.26	4.32	4.61	4.55
1934	4.39	4.13	4.06	4.00	4.00	3.96	3.92	3.92	3.92	3.99	3.97	3.90	4.01
1935	3.82	3.70	3.61	3.66	3.60	3.59	3.49	3.49	3.48	3.51	3.52	3.50	3.58
1936	3.42	3.40	3.37	3.33	3.34	3.34	3.28	3.30	3.27	3.24	3.22	3.16	3.31
1937	3.23	3.25	3.32	3.45	3.80	3.51	3.50	3.50	3.52	3.34	3.55	3.55	3.45
1938	3.56	3.53	3.56	3.73	3.66	3.69	3.62	3.58	3.62	3.56	3.56	3.56	3.60
1939	3.50	3.47	3.41	3.40	3.37	3.32	3.30	3.30	3.52	3.43	3.34	3.34	3.39
1940	3.30	3.25	3.23	3.23	3.29	3.34	3.28	3.27	3.30	3.24	3.23	3.18	3.26
1941	3.19	3.19	3.19	3.18	3.18	3.18	3.16	3.13	3.13	3.13	3.13	3.14	3.16
1942	3.14	3.16	3.16										

-----Public Utility Bonds-----													
1930	4.99	4.96	4.98	4.93	4.89	4.87	4.74	4.80	4.77	4.67	4.67	4.70	4.83
1931	4.78	4.65	4.63	4.60	4.55	4.45	4.44	4.43	4.39	4.41	4.70	4.82	4.57
1932	4.99	5.18	5.35	5.10	5.21	5.11	5.18	5.17	4.94	4.84	4.75	4.70	5.04
1933	4.61	4.51	4.97	4.84	4.95	4.69	4.58	4.53	4.53	4.60	4.61	4.61	4.69
1934	4.67	4.53	4.47	4.31	4.21	4.15	4.02	4.00	3.98	4.05	3.98	3.94	4.19
1935	3.90	3.76	3.68	3.60	3.52	3.52	3.49	3.42	3.52	3.58	3.58	3.50	3.59
1936	3.54	3.48	3.45	3.41	3.39	3.36	3.36	3.36	3.33	3.30	3.31	3.27	3.38
1937	3.22	3.23	3.25	3.30	3.24	3.24	3.21	3.20	3.22	3.22	3.17	3.11	3.22
1938	3.08	3.08	3.06	3.09	3.01	3.00	2.98	2.96	2.99	2.94	2.87	2.85	2.99
1939	2.79	2.81	2.80	2.79	2.75	2.79	2.73	2.78	3.11	3.04	2.85	2.73	2.83
1940	2.76	2.76	2.76	2.73	2.82	2.84	2.75	2.76	2.73	2.70	2.69	2.66	2.75
1941	2.73	2.73	2.73	2.78	2.73	2.71	2.66	2.65	2.64	2.61	2.59	2.69	2.69
1942	2.72	2.75	2.77										

Source: Standard Trade & Securities - Statistical Section.

Exhibit 253

Table Supporting Chart No. 31

STANDARD'S CORPORATE BOND YIELDS - BY QUALITY RATINGS

16222

MONTHLY, 1937 TO MARCH, 1942, INCLUSIVE

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
-----Composite - A1-----													
1937	3.13	3.23	3.36	3.42	3.34	3.33	3.31	3.30	3.33	3.32	3.30	3.27	3.30
1938	3.24	3.23	3.24	3.32	3.24	3.25	3.20	3.17	3.20	3.14	3.10	3.09	3.20
1939	3.02	3.02	2.99	2.99	2.96	2.94	2.93	2.95	3.25	3.16	3.01	2.97	3.02
1940	2.93	2.91	2.91	2.89	2.97	3.00	2.93	2.93	2.84	2.89	2.87	2.84	2.91
1941	2.87	2.88	2.89	2.92	2.88	2.86	2.83	2.80	2.79	2.77	2.76	2.84	2.84
1942	2.85	2.86	2.88										
-----Composite - A1-----													
1937	3.40	3.51	3.62	3.67	3.60	3.58	3.54	3.52	3.58	3.62	3.60	3.56	3.57
1938	3.56	3.56	3.60	3.73	3.57	3.57	3.47	3.42	3.48	3.40	3.36	3.35	3.51
1939	3.26	3.24	3.20	3.24	3.16	3.13	3.14	3.17	3.57	3.38	3.19	3.16	3.24
1940	3.13	3.12	3.11	3.08	3.16	3.18	3.09	3.07	3.02	2.99	2.96	2.94	3.07
1941	2.97	3.00	3.00	3.02	2.99	2.94	2.90	2.92	2.91	2.87	2.85	2.93	2.94
1942	2.94	2.98	3.00										
-----Composite - A-----													
1937	3.92	3.95	4.05	4.12	4.08	4.07	4.01	4.00	4.11	4.28	4.36	4.40	4.11
1938	4.39	4.43	4.54	4.74	4.55	4.58	4.38	4.28	4.36	4.21	4.15	4.15	4.40
1939	4.12	4.05	3.95	3.96	3.90	3.84	3.82	3.83	4.02	3.90	3.75	3.71	3.90
1940	3.66	3.64	3.64	3.61	3.69	3.74	3.62	3.57	3.55	3.51	3.42	3.41	3.59
1941	3.36	3.37	3.36	3.37	3.33	3.31	3.27	3.27	3.26	3.25	3.25	3.33	3.31
1942	3.37	3.35	3.34										
-----Composite - B1+-----													
1937	4.42	4.47	4.57	4.71	4.67	4.69	4.68	4.66	4.85	5.20	5.42	5.48	4.82
1938	5.59	5.63	5.63	6.02	5.71	5.84	5.49	5.41	5.62	5.28	5.21	5.25	5.57
1939	5.10	5.10	4.92	5.16	5.07	4.89	4.84	4.86	4.91	4.79	4.72	4.75	4.93
1940	4.63	4.63	4.57	4.48	4.64	4.71	4.49	4.43	4.37	4.22	4.15	4.12	4.54
1941	4.05	4.07	4.05	4.02	4.02	4.02	3.93	3.96	3.99	4.00	3.99	4.12	4.02
1942	4.06	4.11	4.14										
-----Composite - B1-----													
1937	5.04	5.00	5.27	5.50	5.54	5.64	5.65	5.65	6.00	6.77	7.15	7.19	5.87
1938	7.51	7.68	8.32	8.43	8.00	8.38	7.29	7.11	7.34	6.82	6.70	6.90	7.54
1939	6.82	6.77	6.46	6.90	6.65	6.32	6.31	6.16	6.15	5.86	5.80	5.79	6.33
1940	5.78	5.81	5.74	5.72	6.00	6.18	5.89	5.69	5.73	5.59	5.51	5.52	5.78
1941	5.39	5.43	5.37	5.27	5.24	5.23	5.22	5.21	5.24	5.24	5.20	5.42	5.29
1942	5.27	5.27	5.32										
-----Composite - B-----													
1937	6.09	6.18	6.55	6.90	7.22	7.55	7.32	7.34	8.08	9.03	9.52	9.87	7.64
1938	10.21	10.51	11.20	11.36	10.68	10.76	9.58	9.48	9.98	9.00	8.85	9.87	10.07
1939	8.66	8.53	8.23	9.10	8.80	8.50	8.30	8.22	7.98	7.59	7.55	7.69	8.26
1940	7.69	7.86	7.94	7.75	8.49	8.70	8.07	8.07	7.68	7.35	7.14	7.10	7.82
1941	6.73	6.95	6.69	6.55	6.50	6.54	6.57	6.56	6.63	6.59	6.59	6.96	6.66
1942	6.68	6.68	6.79										

Source: Standard Trade & Securities - Statistical Section.

Exhibit 253

Table Supporting Chart No. 32

STANDARD'S PUBLIC UTILITY BOND YIELDS

BY QUALITY RATING

MONTHLY, 1936 TO MARCH, 1942, INCLUSIVE

16223

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
A1													
1936	3.28	3.18	3.18	3.18	3.16	3.13	3.11	3.12	3.10	3.09	3.04	3.00	3.13
1937	3.04	3.12	3.25	3.30	3.24	3.24	3.21	3.20	3.22	3.22	3.17	3.11	3.19
1938	3.08	3.08	3.06	3.09	3.01	3.00	2.98	2.96	2.99	2.94	2.87	2.85	3.00
1939	2.79	2.81	2.80	2.79	2.75	2.71	2.73	2.78	3.11	3.04	2.85	2.78	2.83
1940	2.76	2.75	2.76	2.73	2.82	2.84	2.75	2.76	2.73	2.70	2.69	2.66	2.75
1941	2.73	2.73	2.73	2.78	2.73	2.71	2.66	2.65	2.64	2.61	2.59	2.69	2.69
1942	2.72	2.75	2.77										
A													
1936	3.65	3.62	3.65	3.64	3.62	3.60	3.59	3.60	3.54	3.51	3.48	3.47	3.58
1937	3.36	3.50	3.59	3.66	3.54	3.53	3.49	3.47	3.48	3.50	3.44	3.49	3.50
1938	3.36	3.36	3.32	3.38	3.27	3.24	3.22	3.20	3.23	3.18	3.14	3.11	3.25
1939	3.06	3.05	3.00	3.00	2.97	2.95	2.95	3.00	3.38	3.23	3.04	3.00	3.06
1940	2.97	2.96	2.95	2.93	3.00	3.03	2.96	2.93	2.89	2.84	2.85	2.86	2.93
1941	2.90	2.90	2.87	2.88	2.85	2.79	2.76	2.79	2.78	2.71	2.70	2.61	2.81
1942	2.66	2.90	2.92										
A													
1936	4.23	4.21	4.12	4.14	4.08	4.06	4.07	4.02	3.96	3.94	3.85	3.85	4.04
1937	3.83	3.82	3.95	3.97	3.95	3.93	3.88	3.82	3.89	4.10	4.05	4.00	3.93
1938	4.01	4.03	4.00	4.06	3.93	3.89	3.84	3.81	3.83	3.76	3.69	3.71	3.88
1939	3.68	3.64	3.60	3.63	3.57	3.56	3.56	3.62	3.95	3.77	3.55	3.50	3.64
1940	3.46	3.43	3.42	3.36	3.42	3.44	3.36	3.29	3.26	3.20	3.11	3.09	3.32
1941	3.10	3.11	3.08	3.06	3.00	2.96	2.93	2.95	2.92	2.92	2.90	2.99	2.99
1942	3.03	3.02	3.02										
B1+													
1936	4.80	4.73	4.68	4.70	4.73	4.60	4.57	4.57	4.53	4.54	4.53	4.53	4.63
1937	4.52	4.55	4.65	4.77	4.73	4.78	4.76	4.68	4.78	5.01	5.01	5.03	4.77
1938	4.96	5.07	5.07	5.21	4.89	4.85	4.71	4.71	4.79	4.68	4.57	4.57	4.84
1939	4.46	4.47	4.40	4.52	4.39	4.29	4.27	4.28	4.55	4.49	4.39	4.38	4.41
1940	4.31	4.25	4.18	4.14	4.25	4.19	4.03	3.98	3.92	3.65	3.60	3.75	4.06
1941	3.68	3.64	3.59	3.53	3.49	3.43	3.36	3.31	3.31	3.33	3.33	3.40	3.45
1942	3.42	2.46	3.50										
B1													
1936	5.59	5.51	5.51	5.61	5.59	5.47	5.29	5.22	5.14	5.17	5.18	5.10	5.37
1937	5.03	5.06	5.40	5.63	5.71	5.68	5.78	5.65	5.95	6.36	6.51	6.45	5.78
1938	6.43	6.71	6.95	6.91	6.31	6.37	6.06	5.98	6.12	6.65	6.64	5.72	6.26
1939	5.67	5.50	5.33	5.47	5.23	5.08	5.04	4.94	5.49	5.23	5.06	4.92	5.25
1940	5.05	5.21	5.16	5.22	5.51	5.58	5.34	5.33	5.24	5.11	5.08	5.06	5.24
1941	4.95	4.96	4.86	4.77	4.72	4.65	4.59	4.52	4.49	4.45	4.45	4.57	4.67
1942	4.54	4.49	4.65										
B													
1936	6.01	5.66	6.33	6.48	6.45	6.25	6.04	5.98	5.94	5.91	5.99	6.17	6.13
1937	6.01	6.16	6.77	7.04	7.50	7.90	7.61	7.60	8.41	9.07	8.70	9.18	7.66
1938	9.29	9.58	9.66	9.57	8.61	8.67	8.27	8.31	8.62	8.02	7.95	8.25	8.73
1939	7.80	7.28	7.24	7.98	7.68	7.29	7.07	6.93	7.37	7.10	6.87	6.62	7.28
1940	6.92	7.00	7.09	6.93	7.59	7.68	7.21	7.13	6.81	6.64	6.47	6.39	6.99
1941	6.06	6.21	6.07	5.99	5.90	5.82	5.76	5.70	5.65	5.64	5.64	6.11	5.88
1942	6.09	6.08	6.45										

Source: Standard Trade & Securities - Statistical Section.

Exhibit 253

BONDS, DEBENTURES AND NOTES ISSUED BY NATURAL GAS COMPANIES1936 - 1941

	<u>Bond Issues</u>	<u>Debentures</u>	<u>Notes</u>	<u>Total</u>	<u>Average Yield on Bonds and Debentures (Based on Price to Public)</u>
1936	\$57,000,000	\$16,050,000	\$ -	\$ 73,050,000	4.59%
1937	39,725,000	-	22,000,000	61,975,000	4.26
1938	60,750,000	23,000,000	38,300,000	122,050,000	3.86
1939	55,350,000	-	17,000,000	72,350,000	3.52
1940	41,050,000	-	5,650,000	46,700,000	3.28
1941	80,950,000	900,000	43,050,000	124,900,000	3.11

Note: * Includes Bank Loans.

Source: Compiled by Standard & Poor's Corp. from "Security Issues of Electric & Gas Utilities 1935-1941" report of Public Utilities Division of S.E.C., Prospectuses of Companies, Moody's Public Utility Manuals and Standard Corporation Records.

Exhibit 253

Table Supporting Chart No. 3
Page 2 of 2

16225

NOTES ISSUED BY NATURAL GAS COMPANIES 1936-1941

		Approx. Offering Date	Principal Amount	Price to Public	
				Yield	
1936					
None					
1937					
Montana-Dakota Utilities Co.	4 1/4% Serial Bank Loans 1938 - 1942	Mar.	\$ 1,500,000	100.00	4.25
Detroit City Gas Co.	Unsecured 25 mos. 3%	July 3	500,000	100.00	3.50
Detroit City Gas Co.	Secured 3 yrs. 3 1/2%	July 3	4,000,000	100.00	3.00
Lone Star Gas Corp.	Unsecured Bank Loan Notes:				
	1 3/4-4% 1938-1942	July	10,000,000	100.00	-
	1 3/4-4% 1938-1942	July	6,000,000	100.00	-
	Total		\$22,000,000		
1938					
Lone Star Gas Corp.	Serial Notes 2 7/8% 1939-1945	Aug. 22	\$11,300,000	100.00	2.88
Michigan Consol. Gas Corp.	Serial Notes 4% 1939-1948	Oct. 6	8,000,000	101.00(a)	3.80(a)
El Paso Natural Gas Co.	Bank Loan Notes 3% due serially	Dec. 15	4,000,000	100.00	3.00
Cities Service Gas Co.	Serial Notes to Banks 3 1/4% 1940-1941	Dec.	15,000,000	100.00	3.25
	Total		\$38,300,000		
1939					
Southern Natural Gas Co.	4 1/2% Collateral Notes	Mar.	\$ 900,000	Not available	
Montana-Dakota Utilities Co.	4 1/4% Promissory Notes Serially				
	1941-1946	May 23	2,100,000	100.00	1.25
Northern Natural Gas Co.	Notes 2 1/8% 1940-1946	Aug. 15	6,000,000	100.00	2.13
Oklahoma Natural Gas Co.	Unsecured Notes 2.19% to 2 3/4% 1941-46	Aug. 17	8,000,000	100.00	-
	Total		\$17,000,000		
1940					
New Mexico Gas Co.	Notes - Installment 5% 1940-1945	Jan. 4	\$ 150,000	100.00(a)	5.90(a)
El Paso Natural Gas Co.	Bank Loan 2 3/4% Serially 1941-1944	Feb.	1,000,000	100.00	2.75
Montana-Dakota Utilities Co.	Promissory Notes 4 1/2%	June	350,000	100.00	4.50
Montana-Dakota Utilities Co.	Serial Notes 1 1/2%-3 1/2%, 1941-1950	Nov.-Dec.	3,900,000	100.00	-
Arkansas Western Gas Co.	Promissory Notes 4% 1941-1950	Dec. 17	250,000	100.00	4.00
	Total		\$ 5,650,000		
1941					
Mississippi River Fuel Co.	Bank Loan 2 3/4% Serially to 1946	Jan.	\$ 7,300,000	100.00	2.75
Lone Star Gas Corp.	Bank Loan Notes 2% 1941-1950	Jan. 29	21,850,000	100.00	2.00
Lone Star Gas Corp.	Bank Loan Notes 2 1/4% 1951	Jan. 29	4,150,000	100.00	2.25
Panhandle Eastern Pipe Line Co.	Notes 0.75-1.50% 1942-1945	Jan. 30	5,000,000	100.00	-
Texas Southwestern Gas Co.	Promissory Notes 4% 1941-1946	Mar. 20	250,000	100.00	4.00
Southern Natural Gas Co.	2 1/2% Serial Notes 1942-1947	June 1	4,500,000	100.00	2.50
	Total		\$43,050,000		

Note: (a) Prices averaged.

Source: "Security Issues of Electric & Gas Utilities 1936-1941" report of Public Utilities Division of S.E.C.,
Prospectuses of Companies, Moody's Public Utility Manuals and Standard Corporation Records.

16226

Exhibit 253

ANNUAL INTEREST COST OF NATURAL GAS MORTGAGE BONDS AND DEBENTURES

SOLD BETWEEN JANUARY 1, 1936 AND DECEMBER 31, 1941

1936					1939				
	No. of Issues	Par Value	Weighted Avg. Yields			No. of Issues	Par Value	Weighted Avg. Yields	
			Based on Net Price to Company	Based on Price to Public				Based on Net Price to Company	Based on Price to Public
Private Sales	1	2,000,000	(a)	4.25	Private Sales	3	29,000,000	3.39	3.28
Not Rated	0	-	-	-	Not Rated	1	350,000	4.78	4.00
A1+	0	-	-	-	A1+	0	-	-	-
A1	0	-	-	-	A1	0	-	-	-
A	1	10,000,000	4.62	4.18	A	0	-	-	-
B1+	4	44,000,000	4.96	4.59	B1+	2	26,000,000	4.10	3.79
B1	2	4,750,000	5.37	4.80	B1	0	-	-	-
B	2	12,300,000	5.45	4.91	B	0	-	-	-
Total or Average	10	73,050,000	5.03	4.59	Total or Average	6	55,350,000	3.73	3.52
1937					1940				
Private Sales	3	11,850,000	(a)	4.06	(b) Private Sales	3	4,450,000	(a)	3.51
Not Rated	1	1,000,000	5.61	5.00	Not Rated	1	300,000	6.02	5.00
A1+	0	-	-	-	A1+	0	-	-	-
A1	0	-	-	-	A1	1	30,000,000	3.19	3.07
A	0	-	-	-	A	1	2,000,000	3.93	3.90
B1+	4	26,875,000	4.51	4.31	B1+	1	3,500,000	4.44	4.00
B1	0	-	-	-	B1	0	-	-	-
B	0	-	-	-	B	1	800,000	5.06	4.50
Total or Average	8	39,725,000	4.56	4.26	Total or Average	8	41,050,000	3.42	3.28
1938					1941				
Private Sales	3	29,000,000	(a)	3.80	Private Sales	7	25,100,000	(a)	3.30
Not Rated	0	-	-	-	Not Rated	0	-	-	-
A1+	0	-	-	-	A1+	0	-	-	-
A1	1	20,000,000	3.56	3.33	A1	3	28,500,000	3.09	2.93
A	1	34,000,000	4.41	4.16	A	1	13,000,000	3.22	3.00
B1+	0	-	-	-	B1+	4	14,400,000	3.42	3.16
B1	0	-	-	-	B1	1	850,000	5.37	4.75
B	1	750,000	7.12	6.26	B	0	-	-	-
Total or Average	6	83,750,000	4.14	3.86	Total or Average	16	81,850,000	3.12	3.11

* Based on 3 issues only.

(b) Does not include one issue sold privately which was rated "A".

Note: (a) Not available.

Source: Data shown on preceding chart.

16227

Exhibit 253

EL PASO NATURAL GAS COMPANYEARNINGS RATIOS - ACTUAL AND ASSUMING A 6 1/2% RATE OF RETURN ON INVESTED CAPITALInvested Capital (Excluding Reserves) as of January 31, 1942

Debt:

First Mortgage 3 1/2s, due 1953	\$ 6,000,000
First Mortgage 3s, due 1955	2,700,000
3% Serial Notes Payable to Banks due to 1945	1,175,000
2 3/4% Serial Notes Payable to Banks due to 1944	750,000
2 1/2% Serial Notes Payable to Banks due to 1943	<u>1,350,000</u>

Par Value of Debt

11,975,000

Less: Debt Discount and Expense

174,411

Net Debt

\$11,800,589

Preferred Stock:

7% Cumulative Preferred Stock (Par Value \$100)

1,479,700

Common Stock and Surplus:

Common Stock (Par Value \$3) 601,594 shares
 Premium on Common Stock
 Earned Surplus

1,804,782
3,497,212
5,165,727

Total Common Stock and Surplus

10,467,721

Total Invested Capital

\$23,748,010Return on Invested Capital and Ratios

	Actual Year Ended Jan. 31, 1942	Assuming 6 1/2% Rate of Return
Available for Fixed Charges	\$2,610,478	\$1,543,621
Actual Fixed Charges (Interest and Amortization)	<u>415,877</u>	<u>415,877</u>
Bond Quality Ratios:		
Fixed Charges Times Earned	6.28 Times	3.71 Times
Income Available to Par Value of Debt	<u>21.80%</u>	<u>12.89%</u>

Source: Compiled by Standard & Poor's Corp. from data appearing on company's published interim statements.

Exhibit 253

NORTHERN NATURAL GAS COMPANY

EARNINGS RATIOS - ACTUAL AND ASSUMING A 6 1/2% RATE OF RETURN ON INVESTED CAPITALInvested Capital (Excluding Reserves) as of December 31, 1941

Debt:		
1st Mtge. and 1st Lien "A" S.F. 3 1/4s due July 1, 1954	\$16,000,000	
Bank Loan 2 1/8% due semi-annually to January 1, 1946	<u>4,000,000</u>	
Par Value of Debt	20,000,000	
Less: Debt Discount and Expense	<u>87,242</u>	
Net Debt		\$19,912,758
Preferred Stock:		
None		
Common Stock and Surplus:		
Common Stock (\$20 par) 1,015,000 shares	20,300,000	
Surplus	<u>3,411,914</u>	
Total Common Stock and Surplus		<u>23,711,914</u>
Total Invested Capital		<u>\$43,624,672</u>

Return on Invested Capital and Ratios

	Actual Year Ended Dec. 31, 1941	Assuming 6 1/2% Rate of Return
Available for Fixed Charges	\$3,947,870	\$2,835,604
Actual Fixed Charges (Interest and Amortization)	<u>629,400</u>	<u>629,400</u>
Bond Quality Ratios:		
Fixed Charges Times Earned	6.27 times	4.51 times
Income Available to Par Value of Debt	<u>19.74%</u>	<u>14.18%</u>

Source: Compiled by Standard & Poor's Corp. from data appearing in Company's Annual Report to Stockholders.

Exhibit 253

SOUTHERN NATURAL GAS COMPANYEARNINGS RATIOS - ACTUAL AND ASSUMING A 6 1/2% RATE OF RETURN ON INVESTED CAPITALInvested Capital (Excluding Reserves) as of September 30, 1941

Debt:		
1st Mtge. Pipeline S.F. 3 1/4s, due Apr. 1, 1956	\$13,000,000	
2 1/2% Serial Notes due semi-annually to May 1, 1947	4,500,000	
Alabama Gas Co. 1st Mtge. 4 1/2s, 1951	1,381,000	
Alabama Natural Gas Corp. City of Talladega 5s, 1947	40,000	
Par Value of Debt	18,891,000	
Less: Debt Discount and Expense	65,263	
Net Debt		\$18,825,737
Preferred Stock:		
None		
Common Stock and Surplus:		
Common Stock (Par Value \$7.50) 1,409,212 155/1050 shares	10,569,091	
Premium on Common Stock	2,380,275	
Capital Surplus	1,276,090	
Earned Surplus	3,837,995	
Total Common Stock and Surplus		18,063,381
Total Invested Capital		\$36,889,118

Return on Invested Capital and Ratios

	Actual 12 Mos. Ended Sept. 30, 1941	Assuming 6 1/2% Rate of Return
Available for Fixed Charges	\$4,179,246	\$2,397,793
Actual Fixed Charges (Interest and Amortization)	1,075,222	1,075,222
Bond Quality Ratios:		
Fixed Charges Times Earned	3.86 Times	2.23 Times
Income Available to Par Value of Debt	22.12%	12.69%

Source: Compiled by Standard & Poor's Corp. from data appearing on company's published interim statements.

6129 16230

Exhibit 253

CITIES SERVICE GAS COMPANYEARNINGS RATIOS - ACTUAL AND ASSUMING A 6 1/2% RATE OF RETURN ON INVESTED CAPITALInvested Capital (Excluding Reserves) as of December 31, 1940

Debt:

First Pipeline 3 3/4s, 1947-54

\$20,000,000

Debenture 5 1/2s, 1956

8,000,000

Secured Notes Payable (Secured by an equal par amount
of First Pipeline 3 1/4s, due serially as follows:

\$2,000,000 each March 20 to 1946, inclusive and

\$1,000,000 September 20, 1946.

13,000,000

Par Value of Debt

41,000,000

Less: Debt Discount and Expense

1,466,485

Net Debt

\$39,533,515

Preferred Stock:

None

Common Stock and Surplus:

Common Stock (no par) 300,000 shares

30,000,000

Surplus

6,784,781

Total Common Stock and Surplus

36,784,781

Total Invested Capital

\$76,318,296Return on Invested Capital and Ratios

Available for Fixed Charges

Actual
Year Ended
Dec. 31, 1940

\$6,999,889

Assuming
6 1/2% Rate
of Return

\$4,960,689

Actual Fixed Charges (Interest and Amortization)

1,834,7441,834,744

Bond Quality Ratios:

Fixed Charges Times Earned

3.82 times

2.70 times

Income Available to Par Value of Debt

17.07%12.10%

Source: Compiled by Standard & Poor's Corp. from data appearing in Moody's Public Utility Manual for 1941.

Exhibit 253

MISSISSIPPI RIVER FUEL CORPORATIONEARNINGS RATIOS - ACTUAL AND ASSUMING A 6 1/2% RATE OF RETURN ON INVESTED CAPITALInvested Capital (Excluding Reserves) as of December 31, 1941

Debt:

Notes Payable to Bank:

2 3/4%, due November 30, 1947

2 3/4%, due quarterly \$250,000 to February 1, 1948

\$2,200,000

6,250,000

Net Debt

\$ 8,450,000

Preferred Stock:

None

Common Stock and Surplus:

Common Stock (Par \$10) 655,220 shares

Surplus (Deficit)

6,552,200

(143,848)

Total Common Stock and Surplus

6,408,352

Total Invested Capital

\$14,858,352Return on Invested Capital and RatiosActual
Year Ended
Dec. 31, 1941Assuming
6 1/2% Rate
of Return

Available for Fixed Charges

\$1,467,858

\$965,793

Actual Fixed Charges (Interest and Amortization)

257,325257,325

Bond Quality Ratios:

Fixed Charges Times Earned

5.70 Times

3.75 Times

Income Available to Par Value of Debt

17.37%11.43%

Parentheses indicate red figures.

Source: Compiled by Standard & Poor's Corp. from data appearing in company's annual report to stockholders.

DEBT COVERAGE RATIOS OF PANHANDLE EASTERN PIPE LINE CO.

16232

AT VARIOUS LEVELS OF NET OPERATING REVENUE - ACTUAL AND IDEALInvested Capital (Excluding Reserves) as of February 28, 1942

Debt - Serial Notes 0.75-1.50% due Nov. 1, 1942-1945	\$ 5,000,000	
1st Mtge. & 1st Lien "A" 1.65%-2.30% due Nov. 1, 1946-1950	6,250,000	
1st Mtge. & 1st Lien "B" S.F. 3's, due Nov. 1, 1940-1950	12,000,000	
1st Mtge. & 1st Lien "C" S.F. 3's, due Jan. 1, 1942-1952	10,000,000	
Leasehold Purchase Obligations	6,445	
Par Value of Debt		\$33,256,445
Preferred Stock:		
\$6 Class B Cum. Pfd., no par	1,000,000	
5.60% Cum. Pfd. \$100 par	15,000,000	
Total Preferred Stock		16,000,000
Common Stock and Surplus:		
Common Capital Stock (no par) 807,367 shares	20,184,175	
Premium and Assessments on Capital Stock	42,490	
Earned Surplus	8,347,425	
Total Common Stock and Surplus		28,574,090
Total Invested Capital		\$77,830,535

Return on Invested Capital and Ratios

	Actual Year Ended Feb. 28, 1942		Minimum Earnings Necessary to Maintain Credit Position	Ideal Ratios
	Taxes at 1941 Rates	Taxes at Morgenthau Proposal		
Operating Revenue before Taxes	\$10,723,619	\$10,723,619		
Federal Taxes	4,362,372*	6,197,000*		
Net Operating Revenue	\$ 6,361,247	\$ 4,526,619	\$5,382,677	
Fixed Charges	884,153**	884,153**	884,153**	
Bond Quality Ratios:				
Fixed Charges Times Earned	7.19 Times	5.12 Times	6.09 Times	4.00 Times
Income Available to Par Value of Debt	19.13%	13.61%	16.19%	16.00%

Notes: * Includes charges in lieu of Federal Income and Excess Profits Taxes.
 ** Excludes credit for interest charged to construction of \$47,823.

Source: Compiled by Standard & Poor's Corp.

Exhibit 253

Table Supporting Chart No. 44

Page 1 of 3

16233

DEBT COVERAGE RATIOS OF PANHANDLE EASTERN PIPE LINE COMPANY

AT VARIOUS LEVELS OF NET OPERATING REVENUES - ASSUMING A 6 1/2% RATE OF RETURN

6135

Invested Capital (Excluding Reserves) as of
February 28, 1942

Invested Capital as of February 28, 1942

Debt:	
Serial Notes 0.75%-1.50%, due Nov. 1, 1942-1945	\$ 5,000,000
1st Mtge. & 1st Lien "A" 1.65%-2.30% due Nov. 1, 1946-1950	6,250,000
1st Mtge. & 1st Lien "B" S.F. 3's, due Nov. 1, 1960	12,000,000
1st Mtge. & 1st Lien "C" S.F. 3's, due Jan. 1, 1962	10,000,000
Leasehold Purchase Obligations	6,445
Total Debt	\$33,256,445
Preferred Stock:	
\$6 Class B. Cum. Pfd. (no par)	1,000,000
5.60% Cum. Pfd. (\$100 par).	15,000,000
Total Preferred Stock	16,000,000
Common Stock and Surplus:	
Common Cap. Stock (no par) 807,367 shs.	20,184,175
Premium and Assessment on Capital Stock	42,490
Earned Surplus	8,347,425
Total Common Stock and Surplus	28,574,090
Total Invested Capital	\$77,830,535

		Source
Total Gas Plant Classified	\$78,715,508	"Watkins" Exhibit 200
Add: Gas Sale Contracts (Other)	354,271	" " 200
	79,069,779	
Deduct: Reserves for Depreciation & Depletion	13,133,885	" " 197
Net Investment in Plant	65,935,894	
Add: Working Capital per Commission for Rate Making Purposes	1,000,000	Estimated
	\$66,935,894	

Return on Invested Capital and Ratios

	Assumed 6 1/2% Rate of Return		Assumed 6 1/2% Rate of Return	
	Taxes at 1941 Rates	Taxes at Morgenthau Proposal	Taxes at 1941 Rates	Taxes at Morgenthau Proposal
Operating Revenue before Federal Taxes	\$7,455,564	\$7,455,564	\$6,001,555	\$6,001,555
Federal Taxes	2,396,579	3,913,815	1,650,722	2,667,305
Net Operating Revenue	5,058,985	3,541,749	4,350,833	3,134,250
Fixed Charges	884,153	884,153	884,153	884,153
Net Income	\$4,174,832	\$2,657,596	\$3,466,680	\$2,250,097
Bond Quality Ratios:				
Fixed Charges Times Earned	5.72 Times	4.01 Times	4.92 Times	3.54 Times
Income Available to Par Value of Debt	15.21%	10.65%	13.08%	9.42%

Source: Compiled by Standard & Poor's Corp.

Exhibit 253

FEDERAL EXCESS PROFITS & INCOME TAXES

BASED ON 1941 RATES

Net Before Taxes	\$6,001,555	Panhandle	\$4,142,552
Fixed Charges	884,153	Illinois	128,000
		Michigan	811,000
		Indiana	36,000

Excess Profits Net \$5,117,402 \$5,117,552

Net Before Taxes	\$7,455,564	Panhandle	\$5,600,000
Fixed Charges	884,411	Illinois	128,000
		Michigan	811,000
		Indiana	36,000

Excess Profits Net \$6,571,153 \$6,571,000

	Panhandle	Illinois	Michigan	Indiana
Excess Profits Net Income	\$4,142,552	\$128,000	\$811,000	\$36,000
Less:				
Specific Exemptions	5,000	5,000	5,000	5,000
Credit Based on Income	4,616,000	-	603,000	23,700
Credit Based on Invested Capital	-	182,000	-	-
Carry Over	-	36,000	-	-
Additional Credit Based on Income Resulting from New Capital Financing	190,000	-	-	-
Adjusted Excess Profits Net Income	None	None	\$203,000	\$7,300

	Panhandle	Illinois	Michigan	Indiana
Excess Profits Net Income	\$5,600,000	\$128,000	\$811,000	\$36,000
Less:				
Specific Exemptions	5,000	5,000	5,000	5,000
Credit Based on Income	4,616,000	-	603,000	23,700
Credit Based on Invested Capital	-	182,000	-	-
Carry Over	-	36,000	-	-
Additional Credit Based on Income Resulting from New Capital Financing	190,000	-	-	-
Adjusted Excess Profits Net Income	\$787,000	None	\$203,000	\$7,300

Excess Profit Tax:

First \$ 20,000 at 25%		\$ 7,000	\$ 2,555
Next 30,000 at 40%		12,000	
Next 50,000 at 45%		22,500	
Next 150,000 at 50%		51,500	
Next 250,000 at 55%			
Over 500,000 at 60%			

First \$ 20,000 at 25%		\$ 7,000	\$ 2,555
Next 30,000 at 40%		12,000	
Next 50,000 at 45%		22,500	
Next 150,000 at 50%		51,500	
Next 250,000 at 55%			
Over 500,000 at 60%			

Total Excess Profits Tax

None	None	\$ 93,000	\$ 2,555	\$95,555	\$ 426,200	None	\$ 93,000	\$ 2,555	\$521,755
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Normal & Surtax:

Excess Profits Net Income	\$4,142,552	\$128,000	\$811,000	\$36,000
Less: Excess Profits Tax	-	-	93,000	2,555

Excess Profits Net Income	\$5,600,000	\$128,000	\$811,000	\$36,000
Less: Excess Profits Tax	426,200	-	93,000	2,555

Subject to Normal Tax & Surtax

\$4,142,552	\$128,000	\$718,000	\$33,445	\$5,173,800	\$128,000	\$718,000	\$33,445
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Normal Tax:

Corporations with Income Slightly Over \$25,000

First \$ 5,000 at 15%			\$ 750
Next 15,000 at 17%			2,550
Next 5,000 at 19%			950
Next 8,447 at 27%			2,125

First \$ 5,000 at 15%			\$ 750
Next 15,000 at 17%			2,550
Next 5,000 at 19%			950
Next 8,447 at 27%			2,125

Corporations with Income Over \$25,000 at 24%

\$ 994,212	\$ 30,720	\$172,300	
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\$1,241,712	\$ 30,720	\$172,300	
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Surtax:

First \$ 25,000 at 6%	1,500	1,500	1,500	1,500
Over 25,000 at 7%	288,829	7,210	48,510	591

First \$ 25,000 at 6%	1,500	1,500	1,500	1,500
Over 25,000 at 7%	360,416	7,210	48,510	591

Total Normal & Surtax

\$1,283,941	\$ 39,430	\$222,330	\$ 9,466	\$1,565,167	\$1,603,628	\$ 39,430	\$222,330	\$ 9,466	\$1,874,824
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Total Federal Taxes

\$1,283,941	\$ 39,430	\$222,330	\$12,021	\$1,650,722	\$2,029,828	\$ 39,430	\$222,330	\$12,021	\$2,396,579
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Exhibit 253

FEDERAL EXCESS PROFITS & INCOME TAXES
BASED ON MORGENTHAU PROPOSAL

Net before Taxes	\$5,001,555	Panhandle	\$4,142,552
Fixed Charges	884,153	Illinois	128,000
		Michigan	811,000
		Indiana	36,000
Excess Profits Net	\$5,117,402		\$5,117,552

Net before Taxes	\$7,455,564	Panhandle	\$5,600,000
Fixed Charges	884,411	Illinois	128,000
		Michigan	811,000
		Indiana	36,000
Excess Profits Net	\$6,571,153		\$6,571,000

	Panhandle	Illinois	Michigan	Indiana
Excess Profits Net Income	\$4,142,552	\$128,000	\$811,000	\$36,000
Less:				
Specific Exemption	5,000	5,000	5,000	5,000
Credit based on Income	4,618,000	-	603,000	25,700
Credit based on Invested Capital	-	182,000	-	-
Carry-Over	-	36,000	-	-
Additional Credit based on Income from New Capital Financing	190,000	-	-	-
Adjusted Excess Profits Net Income	None	None	203,000	7,300

Excess Profits Tax:				
\$ 20,000 at 50%			10,000	3,650
30,000 at 55%			16,500	
50,000 at 60%			30,000	
130,000 at 65%			86,950	
250,000 at 70%				
Over \$500,000 at 75%				

Excess Profits Tax	None	None	123,450	3,650
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Normal and Surtax:				
Excess Profits Net Income	4,142,552	128,000	811,000	36,000
Less: Excess Profits Tax	-	-	123,450	3,650
Subject to Normal & Surtax	4,142,552	128,000	687,550	32,350

Normal Tax:				
Corporations with Income slightly over \$25,000:				
\$ 5,000 at 15%				750
15,000 at 17%				2,550
5,000 at 19%				950
at 37%				2,720

Corporations over \$25,000 at 24%	994,812	30,720	165,012	
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Surtax:				
Corporations with Income slightly over \$25,000:				
\$25,000 at 18%				4,000
at 31%				2,270

Corporations over \$25,000 at 31%	1,284,191	39,680	213,141	
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Total Normal & Surtax	2,278,405	70,400	378,153	13,840
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Total Federal Taxes	\$2,278,405	\$ 70,400	\$301,603	\$14,822
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Source: Compiled by Standard & Poor's Corp.

	Panhandle	Illinois	Michigan	Indiana
Excess Profits Net Income	\$5,600,000	\$128,000	\$811,000	\$36,000
Less:				
Specific Exemption	5,000	5,000	5,000	5,000
Credit based on Income	4,618,000	-	603,000	25,700
Credit based on Invested Capital	-	182,000	-	-
Carry-Over	-	36,000	-	-
Additional Credit based on Income from New Capital Financing	190,000	-	-	-
Adjusted Excess Profits Net Income	787,000	None	203,000	7,300
Excess Profits Tax:				
10,000			10,000	3,650
16,500			16,500	
30,000			30,000	
97,500			86,950	
178,000				
215,250				
Excess Profits Tax	544,250	None	123,450	3,650

Normal and Surtax:				
Excess Profits Net Income	5,600,000	128,000	811,000	36,000
Less: Excess Profits Tax	544,250	-	123,450	3,650
Subject to Normal & Surtax	5,055,750	128,000	687,550	32,350

Normal Tax:				
Corporations with Income slightly over \$25,000:				
\$ 5,000 at 15%				750
15,000 at 17%				2,550
5,000 at 19%				950
at 37%				2,720

Corporations over \$25,000 at 24%	1,213,380	30,720	165,012	
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Surtax:				
Corporations with Income slightly over \$25,000:				
\$25,000 at 18%				4,000
at 31%				2,270

Corporations over \$25,000 at 31%	1,567,283	39,680	213,141	
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Total Normal & Surtax	2,780,663	70,400	378,153	13,840
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Total Federal Taxes	\$2,780,663	\$ 70,400	\$301,603	\$14,822
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Exhibit 253

EFFECT OF INCREASED GROSS REVENUE AND TAXES
UPON PANHANDLE'S NET OPERATING REVENUE

	Pro Forma Income Account Year Ended Feb. 28, 1942			Estimated Increase in Gross Operating Revenue			Minimum Earnings Necessary to Maintain Credit Position
	Based on 1941 Tax Rates	Based on Morgenthau Tax Proposal		Of \$1,154,390	Of \$3,438,088	Of \$5,771,948	
				Assuming Morgenthau Tax Proposal			
Gross Operating Revenue	18,378,378	18,378,378		19,532,768	21,816,466	24,150,326	
Operating Expenses (excluding Taxes)	6,758,914	6,758,914	36.8%	7,188,059	8,028,459	8,887,320	
State, Local & Misc. Taxes	895,846	895,846	4.9%	957,106	1,069,007	1,183,366	
Net before Federal Taxes	10,723,618	10,723,618		11,387,603	12,719,000	14,079,640	
Federal Excess Profits Taxes	(4,362,371	6,197,000		2,878,921	3,876,684	4,794,187	
Federal Income Taxes				3,720,652	3,905,806	4,095,016	
Net Operating Revenue	6,361,247	4,526,618		4,688,030	4,936,510	5,190,437	5,382,677

Bond Quality Ratios

Actual Fixed Charges - \$884,153
(excluding credit for interest
charged to construction of
\$47,623):

Fixed Charges Times Earned	7.19	5.12	5.30	5.58	5.67	6.09
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Actual Par Value of Debt -
\$33,256,445

Income Available for Charges to Par Value of Debt	19.13%	13.61%	14.10%	14.64%	15.61%	16.19%
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Note: * Estimated as follows:

Gross Operating Revenue for Years Ended
December 31:

1937	\$9,662,909
1938	9,907,129
1939	11,996,769
1940	13,535,453
1941	15,434,657

Increase - year 1941 over 1937 - \$5,771,948
Increase - year 1941 over 1939 - \$3,438,088
Average Annual Increase 1937-41 - \$1,154,390

Source: Compiled by Standard & Poor's Corp.

Exhibit 253

ESTIMATED EXCESS PROFITS NET INCOME

	Pro Forma Income Account Feb. 28, 1942		Increase in Gross Revenue of \$5,771,948		Increase in Gross Revenue of \$3,438,088		Increase in Gross Revenue of \$1,154,390
Net before Federal Taxes	10,723,618		14,079,640		12,719,000		11,387,603
Interest Revenue	<u>20,345</u>		<u>20,345</u>		<u>20,345</u>		<u>20,345</u>
	10,743,963		14,099,985		12,739,345		11,407,948
Income Deductions	<u>836,330</u>		<u>884,153*</u>		<u>884,153*</u>		<u>884,153*</u>
	<u>9,907,633</u>		<u>13,215,832</u>		<u>11,855,192</u>		<u>10,523,795</u>
Excess Profits Tax Net Income	9,633,903	97.24%	12,850,103		11,527,016		10,232,366
Panhandle	8,658,903	89.88%	11,549,673		10,360,482		9,196,851
Illinois	128,000	1.33%	170,906		153,309		136,090
Michigan	811,000	8.42%	1,081,979		970,575		861,565
Indiana	36,000	0.37%	47,545		42,650		37,860
Excess Profits Tax Net Income							
Illinois							
Michigan							
Indiana	975,000		1,300,430		1,166,534		1,035,515
Dividends Received by Panhandle	532,509		710,035		636,928		565,391
	54.6%						
Excess Profits Taxes	2,566,146		4,794,187		3,876,684		2,978,921
Normal and Surtax Tax	<u>3,633,329</u>		<u>4,095,016</u>		<u>3,905,806</u>		<u>3,720,652</u>
Total Federal Taxes	<u>6,199,475</u>		<u>8,889,203</u>		<u>7,782,490</u>		<u>6,699,573</u>

Note: * Excludes credit for interest on construction of \$47,823.

Source: Compiled by Standard & Poor's Corp.

Exhibit 253

FEDERAL TAXES ASSUMING AN INCREASE OF \$3,438,088 IN GROSS REVENUE

	Pennsylvania	Illinois	Michigan	Indiana
Estimated Excess Profits Net Income as Recomputed	10,360,482	153,309	970,575	42,650
Less: Dividends Received	636,928	-	-	-
	9,723,554	153,309	970,575	42,650
Less:				
Specific exemption	5,000	5,000	5,000	5,000
Excess Profits Credit based on Income	4,618,000	-	608,000	23,700
Excess Profits Credit based on Invested Capital	-	182,000	-	-
Excess Profits Credit Carry-over	-	36,000	-	-
Additional Excess Profits Credit based on Income resulting from Net New Capital Financing	190,000	223,000	688,000	28,700
Adjusted Excess Profits Net Income Subject to Tax	4,910,554	None	362,575	13,950
Excess Profits Tax:				
	Net Income	Tax	Net Income	Tax
First \$20,000 at 80%	20,000	10,000	20,000	10,000
Next 30,000 at 55%	30,000	16,500	30,000	16,500
Next 50,000 at 50%	50,000	30,000	50,000	30,000
Next 150,000 at 45%	150,000	67,500	150,000	97,500
Next 250,000 at 70%	250,000	175,000	112,575	78,803
All over \$600,000 at 75%	4,410,554	3,307,906	-	-
Estimated Excess Profits Tax	3,836,906	None	232,803	6,975
Normal Tax and Surtax:				
Excess Profits Net Income as Recomputed	10,360,482	153,309	970,575	42,650
Less: Excess Profits Tax	3,836,906	-	232,803	6,975
85% of Dividends Received	541,380	-	232,803	6,975
Estimated Normal Tax and Surtax Net Income	6,192,187	153,309	737,772	35,675
Normal Tax:				
Corporations with Net Income slightly over \$25,000:				
First \$ 5,000 at 15%	-	-	-	750
Next 15,000 at 17%	-	-	-	2,550
Next 5,000 at 19%	-	-	-	950
Next 10,675 at 37%	-	-	-	3,950
Corporations with Net Income over \$25,000:				
Flat Rate 24%	1,483,725	36,794	177,063	-
Surtax:				
Corporations with Net Income slightly over \$25,000:				
First \$25,000 at 18%	-	-	-	4,000
Next 10,675 at 31%	-	-	-	3,300
Corporations with Net Income over \$25,000 at 31%	1,915,478	47,626	228,709	-
Estimated Normal Tax and Surtax	3,400,803	84,380	406,772	15,500
Estimated Total Federal Taxes	7,037,109	84,380	639,575	22,475

Source: Compiled by Standard & Poor's Corporation.

6147 16239

Exhibit 253

FEDERAL TAXES ASSUMING AN INCREASE OF \$5,771,946 IN GROSS REVENUE

	Panhandle	Illinois	Michigan	Indiana	
Estimated Excess Profits Net Income as Recomputed	11,549,673	170,906	1,061,979	47,546	
Less: Dividends Received	710,038	-	-	-	
	10,839,636	170,906	1,061,979	47,546	
Less:					
Specific exemption	5,000	5,000	5,000	5,000	
Excess Profits Credit based on Income	4,618,000	-	603,000	23,700	
Excess Profits Credit based on Invested Capital	-	122,000	-	-	
Excess Profits Credit Carry-over	-	36,000	-	-	
Additional Excess Profits Credit based on Income resulting from Net New Capital Financing	120,000	-	-	-	
	4,813,000	223,000	608,000	28,700	
Adjusted Excess Profits Net Income Subject to Tax	6,026,636	None	473,979	18,846	
Excess Profits Tax:					
First \$ 20,000 at 50%	20,000	10,000	20,000	10,000	18,846
Next 30,000 at 55%	30,000	16,500	30,000	16,500	9,423
Next 50,000 at 60%	50,000	30,000	50,000	30,000	-
Next 150,000 at 65%	150,000	97,500	150,000	97,500	-
Next 250,000 at 70%	250,000	175,000	223,979	156,785	-
All Over \$500,000 at 75%	5,526,636	4,144,979	-	-	-
Estimated Excess Profits Tax	4,473,979	None	310,785	9,423	\$4,794,187
Normal Tax and Surtax:					
Excess Profits Net Income as Recomputed	11,549,673	170,906	1,061,979	47,546	
Less: Excess Profits Tax @ 8% of Dividends Received	4,473,979	-	310,785	9,423	
	603,694	5,077,509	310,785	9,423	
Estimated Normal Tax and Surtax Net Income	6,472,154	170,906	771,194	38,122	
Normal Tax:					
Corporations with Net Income slightly over \$25,000:					
First \$ 5,000 at 16%	-	-	-	-	750
Next 15,000 at 17%	-	-	-	-	2,550
Next 5,000 at 19%	-	-	-	-	950
Next 13,122 at 37%	-	-	-	-	4,855
Corporations with Net Income over \$25,000:					
Flat Rate 24%	1,553,319	41,017	185,066	-	
Surtax:					
Corporations with Net Income over \$25,000:					
First \$25,000 at 16%	-	-	-	-	4,000
Next 13,122 at 31%	-	-	-	-	4,067
Corporations with Net Income over \$25,000 - 31%	2,008,571	52,981	239,070	-	
Estimated Normal Tax and Surtax	3,569,690	93,998	424,136	17,172	4,095,016
Estimated Total Federal Taxes	8,033,669	93,998	734,921	26,595	\$8,889,203

Source: Compiled by Standard & Poor's Corporation.

Exhibit 253

FEDERAL TAXES ASSUMING AN INCREASE OF \$1,154,390 IN GROSS REVENUE

	Panhandle	Illinois	Michigan	Indiana	
Estimated Excess Profits Net Income as Recomputed	9,198,851	136,090	861,565	37,880	
Less: Dividends Received	865,391	-	-	-	
	8,631,460	136,090	861,565	37,880	
Less:					
Specific exemption	5,000	5,000	5,000	5,000	
Excess Profits Credit based on Income	4,618,000	-	603,000	23,700	
Excess Profits Credit based on Invested Capital	-	182,000	-	-	
Excess Profits Credit Carry-over	-	36,000	-	-	
Additional Excess Profits Credit based on Income resulting from Net New Capital Financing	190,000	-	-	-	
	4,813,000	223,000	608,000	28,700	
Adjusted Excess Profits Net Income	3,818,460	None	253,565	9,180	
Subject to Tax					
Excess Profits Tax:	Net Income Tax		Net Income Tax	Net Income Tax	
First \$ 20,000 at 50%	20,000 10,000		20,000 10,000	9,780 4,580	
Next 30,000 at 55%	30,000 16,500		30,000 16,500		
Next 50,000 at 60%	50,000 30,000		50,000 30,000		
Next 150,000 at 65%	150,000 97,500		150,000 97,500		
Next 250,000 at 70%	250,000 175,000		3,565 2,498		
All Over \$500,000 at 75%	3,318,460 2,498,845				
Estimated Excess Profits Tax	2,817,845	None	156,498	4,580	\$2,978,921
Normal Tax and Surtax:					
Excess Profits Net Income as Recomputed	9,198,851	136,090	861,565	37,880	
Less: Excess Profits Tax	2,817,845	-	156,498	4,580	
85% of Dividends Received	480,562	-	156,498	4,580	
Estimated Normal Tax and Surtax Net Income	3,898,424	136,090	705,067	33,260	
Normal Tax:					
Corporations with Net Income slightly over \$25,000:					
First \$ 5,000 at 15%				750	
Next 15,000 at 17%				2,550	
Next 5,000 at 19%				950	
Next 8,280 at 37%				3,064	
Corporations with Net Income over \$25,000:					
Flat Rate 24%	1,415,692	32,762	169,217		
Surtax:					
Corporations with Net Income slightly over \$25,000:					
First \$25,000 at 10%				4,000	
Next 8,280 at 31%				2,567	
Corporations with Net Income over \$25,000 - 31%	1,828,511	42,188	218,571		
Estimated Normal Tax and Surtax	3,244,333	74,850	387,788	13,881	3,720,652
Estimated Total Federal Taxes	6,061,978	74,850	543,284	18,461	\$6,690,573

Source: Compiled by Standard & Poor's Corporation.

16241

Exhibit 253

STATISTICS FOR 1941 RELATIVE TO CHARTS NUMBER 2 TO 9

INCLUSIVE OF EXHIBIT NO. 65

Exhibit No. 65
Chart No.

Growth of Natural Gas in U. S. A. - Comparable figures for 1941 not available.

P. R. E. Index	Table shows	Latest figures are
	1938 88	89
	1939 108	108
	1940 122	123
	1941 135	135

Consumption of Natural Gas in U. S. A. - Comparable figures for 1941 not available.

Revenue from Natural Gas Consumed in U. S. A. - Comparable figures for 1941 not available.

Average Revenue per M.C.F. from Natural Gas Consumed in U. S. A. - Comparable figures for 1941 not available.

Average Price per M.C.F. Received by Panhandle Eastern Pipe Line Co.

	Total Gas Sales M.C.F.	Gross Revenue \$	Cents Per M.C.F.
41	63,686,819	14,686,263	23.06

Panhandle's Natural Gas Sales by States - 1941

	Michigan	Illinois	Indiana & Ohio	Missouri	Texas, Oklahoma & Kansas	Total	Industry Consumption
M.C.F.	24,170,883	9,128,718	19,832,163	10,388,923	2,166,132	63,686,819	N.A.

Gross Revenue and Operating Ratios of Panhandle Compared with Other Pipe Line Companies

1941	Gross Revenue	In Relatives 1934 = 100	Operating Expenses Excl. Taxes	Ratio	Operating Expenses Incl. Taxes	Ratio
Panhandle Eastern Pipe Line Co.	\$15,434,857	508.31	\$6,651,706	43.10	\$9,975,331	64.63
Cities Service Gas	N.A.	-	N.A.	-	N.A.	-
El Paso Natural Gas	6,691,934	329.69	2,695,965	43.28	4,101,431	61.29
Interstate Natural Gas	N.A.	-	N.A.	-	N.A.	-
Memphis Natural Gas	N.A.	-	N.A.	-	N.A.	-
Mississippi River Fuel	N.A.	-	N.A.	-	N.A.	-
Northern Natural	N.A.	-	N.A.	-	N.A.	-
Southern Natural Gas	N.A.	-	N.A.	-	N.A.	-
Total Other Pipe Line Cos.	N.A.	-	N.A.	-	N.A.	-
Total Industry	N.A.	-	N.A.	-	N.A.	-

Panhandle Eastern Pipe Line Co. - 1941 Revenue and Expenses

	Gross Revenue	Operating Expenses Excl. Taxes	State, Local & Misc. Fed.	Federal Income	Federal Excess Profits	Total Taxes	Net Operating Income
1941	\$15,434,857	\$6,651,706	\$733,623	\$1,690,000	\$900,000	\$3,233,623	\$5,430,525
% of Gross Revenue	100.00	43.10				21.53	35.37

Source: Compiled by Standard & Poor's Corporation.

6153
16242

Exhibit 254

INVESTORS' APPRAISAL OF THE RISKS OF CAPITAL IN

THE STEEL INDUSTRIAL COMPLEX

FOR THE YEARS 1957-1961, INCLUSIVE

This contains 1961 full year data for the leading
industry supplemental to Exhibit 25 and 26.

Prepared by

DR. G. L. HUGHES, JR. AND OTHERS

STANDARD & POOR'S CORPORATION

Exhibit 254

TABLE OF CONTENTSINVESTORS' APPRAISAL OF THE RISKS OF CAPITAL IN 153 STABLE INDUSTRIAL COMPANIES

1. Purpose of this Exhibit
2. Method of Selecting Companies to be Included in Study
3. Method of Procedure
4. Summary of the Analyses

SECTION I

Complete List of Industrial Companies Whose Common Stocks Were Listed on the New York Stock Exchange from January 1, 1932 to April 1, 1942 and Selection Showing Such Companies Which Paid Common Dividends in Each Year 1932-1941, Inclusive

SECTION II

Summary Showing Computation of "Investors' Appraisal of the Risks of Capital" Represented by 153 Stable Industrial Companies

SECTION III

Working Papers Showing the Computation of "Investors' Appraisal of the Risks of Capital" of Each of the 153 Stable Industrial Companies

SECTION IV

Working Papers Showing the Computation of "Investors' Appraisal of the Risks of Capital" in the Natural Gas Industry as Compared with Other Divisions of the Utility Industry for the Full Year 1941 Supplemental to Data for the Years 1937, 1938, 1939 and 1940 Already Filed in these Proceedings as Exhibits Nos. 63 and 64

Exhibit 254

INVESTORS' APPRAISAL OF THE RISKS OF CAPITAL IN153 STABLE INDUSTRIAL COMPANIES1. Purpose of this Exhibit:

The purpose of this exhibit is to present data showing the investors' appraisal of the risks of capital in stable industrial companies which, it was believed, would be a helpful addition to the material already prepared and presented in these Hearings as Exhibits Nos. 63 and 64 covering the natural gas industry as compared with other divisions of the utility industry.

2. Method of Selecting Companies to be Included in Study:

Throughout the United States there are operating thousands upon thousands of industrial companies whose securities are outstanding in the hands of the general public and upon which the "Investors' Appraisal of Overall Capital Risks" could be computed. For the present purpose, however, I was not interested in the appraisal of risk that might be shown for highly speculative ventures. Rather, I wished to ascertain what the investing public was demanding by way of rate of return on overall earnings-price ratio from stable industrial companies with a long record of profitable operation.

Many methods can be propounded for making a selection of such companies. The test of stability over a period of years, however, it seems to me, lies in the

dividend paying ability of a company through periods of depression and prosperity. Therefore, for the purpose of this study I decided to limit the analyses to companies which had paid dividends not only on preferred stocks but also on common stocks in each year of the decade, 1932-1941, inclusive. This period was selected since it included the worst year of depression ever experienced in the United States and was sufficiently long to eliminate from consideration those companies with only a short successful background.

In past studies of "Investors' Appraisal" criticism has sometimes been levied at findings on the score that marketability of stocks was in some instances rather thin and that the results shown therefore did not necessarily present an accurate picture. While I do not agree with such criticism, in order to avoid its recurrence in the present study, I confined my selection of companies to those whose common stocks had been listed on the New York Stock Exchange for at least the ten year period, 1932-1941, inclusive, and for which there could be no question as to their marketability.

As is shown in Section I of this exhibit, there were 470 companies whose common stocks were listed on the New York Stock Exchange throughout the complete

period from January 1, 1932 to April 1, 1942. Of these 479 companies, a total of 153 paid dividends in each year of the decade 1932-1941, inclusive.

3. Method of Procedure:

The method of procedure followed here was exactly identical to that used to determine the "Investors' Appraisal of the Risks of Capital in the Natural Gas Industry as Compared with Other Divisions of the Utility Industry" and outlined fully in Exhibit No. 63, pages 5-8, inclusive. In summary, such method was as follows:

(1) For each of the years, 1937-1941, inclusive, the indicated total market value of all of the securities of a single company was determined by multiplying the

number of each class of security (bonds, preferred and common stocks as the case may be) outstanding at the end of each year by the average of its high and low market quotations in that year.

(2) Next there was determined for the individual company the total earnings available for distribution to the securities after taxes, depreciation and all other miscellaneous charges, as reported in the particular company's reports to stockholders.

(3) The earnings so determined under (2) above were then divided by the indicated market value of all securities as determined under (1) above and a rate for the period in question was thus obtained.

(4) Having determined in the manner described above

the investors' appraisal of the risks of capital employed in each company selected, the indicated market value of the 153 industrial companies determined under (1) was added to obtain the indicated market value of the capital securities of the entire group. Similarly, the earnings available for distribution to the securities of each of the companies, as determined under (2) were added to obtain the total earnings available for distribution to securities of the entire group. The latter figure was then divided by the former in order to obtain the investors' overall appraisal of the risks of all capital in the group. This was done for each of the years 1937-1941, inclusive.

4. Summary of the Analyses:

A summary of the analyses of the 153 stable industrial companies is contained in the following table:

Investors' Appraisal of Overall Capital Risk
153 Stable Industrial Companies

	Indicated Market Value of Capital	Earnings Available for Capital	Investors' Appraisal of Risks of Capital
	(\$1,000)	(\$1,000)	%
1937	22,692,237	1,550,677	6.83
1938	19,423,780	1,011,742	5.21
1939	21,258,880	1,315,905	6.25
1940	19,821,440	1,418,677	7.14
1941*	14,601,745	1,166,698	7.99

(*) Weighted Average Percent 6.97%

Notes: * Based on 119 companies for which 1941 annual reports were available prior to April 1, 1942.

(a) Based on applying weights of 1 to 5 respectively to the years 1937-1941 respectively.

SIGNED AT NEW YORK CITY, APRIL 1, 1942

PAUL B. COFFMAN

Exhibit 254

SECTION I

COMPLETE LIST OF INDUSTRIAL COMPANIES
WHOSE COMMON STOCKS WERE LISTED ON THE NEW YORK STOCK EXCHANGE
FROM JANUARY 1, 1932 TO APRIL 1, 1942

AND

SELECTION SHOWING SUCH COMPANIES WHICH PAID COMMON DIVIDENDS
IN EACH YEAR 1932-1941, INCLUSIVE

Exhibit 254

16247 Section 1
Page 1

6163

COMPLETE LIST OF INDUSTRIAL COMPANIES WHOSE COMMON STOCKS WERE LISTED ON THE NEW YORK STOCK EXCHANGE

FROM JANUARY 1, 1932 TO APRIL 1, 1942

Companies Which Paid Common Dividends Each Year 1932-1941, Incl.		Companies Which Paid Common Dividends Each Year 1932-1941, Incl.		Companies Which Paid Common Dividends in Each Year 1932-1941, Incl.	
1 Abraham & Straus, Inc.	X	58 Austin, Nichols Co., Inc.		116 Commercial Solvents Corp.	
2 Adams-Millie Corp.	X	59 Aviation Corp.		117 Conde Nast Publications, Inc.	
3 Addressograph-Multigraph Corp.		60 Barker Bros. Corp.		118 Congoleum Nairn, Inc.	X
4 Air Reduction Co., Inc.	X	61 Barnsdall Oil Co.		119 Consolidated Cigar Corp.	
5 Air-Way Elec. Appliance Corp.		62 Bayuk Cigars, Inc.		120 Consolidated Film Industries, Inc.	
6 Alaska Juneau Gold Mining Corp.	X	63 Beatrice Creamery Co.		121 Consolidated Laundries Corp.	
7 Allied Chemical & Dye Corp.	X	64 Beech-Nut Packing Co.	X	122 Container Corp. of Amer.	
8 Allis-Chalmers Mfg. Co.		65 Belding-Hammingway Co.		123 Continental Baking Co.	
9 Alpha Portland Cement Co.		66 Bendix Aviation Corp.		124 Continental Can Co., Inc.	X
10 Amalgamated Leather Co., Inc.		67 Best & Co., Inc.	X	125 Continental-Diamond Fibre Co.	
11 Ameraca Petroleum Corp.	X	68 Bethlehem Steel Corp.		126 Continental Motors Corp.	
12 American Agricultural Chem. Co.		69 Bigelow-Sanford Carpet Co., Inc.		127 Continental Oil Co.	
13 American Bank Note Co.		70 Blaw-Knot Co.		128 Corn Products Refining Co.	X
14 American Brake Shoe & Foundry Co.	X	71 Bloomingdale Bros., Inc.		129 Coty, Inc.	
15 American Can Co.	X	72 Blumenthal & Co., Inc.		130 Cream of Wheat Corp.	X
16 American Car & Foundry Co.		73 Bohn Aluminum & Brass Corp.	X	131 Crosley Corp.	
17 American Chain & Cable Co., Inc.		74 Borden Co.	X	132 Crown Cork & Seal Co., Inc.	
18 American Chicle Co.	X	75 Borg-Warner Corp.	X	133 Crown Zellerbach, Inc.	
19 American Coal Co. of Allegheny Co.		76 Briggs Mfg. Co.		134 Crucible Steel Co. of Amer.	
20 American Colortype Co.		77 Briggs & Stratton Corp.	X	135 Cuban-Amer. Sugar Co.	
21 American Commercial Alcohol Corp.		78 Brown Shoe Co., Inc.	X	136 Cudahy Packing Co.	
22 American Encaustic Tiling Co., Inc.		79 Brunswick-Balke-Collender Co.		137 Curtis Publishing Co.	
23 American Hawaiian Steamship Co.	X	80 Bucyrus-Erie Co.		138 Curtiss-Wright Corp.	
24 American Hide & Leather Co.		81 Budd Mfg. Co. (E. G.)		139 Cutler-Hammer, Inc.	
25 American Home Products Corp.	X	82 Budd Wheel Co.		140 Deere & Co.	
26 American Ice Co.		83 Bullard Co.		141 Devoe & Reynolds, Inc.	
27 American Locomotive Co.		84 Bulova Watch Co., Inc.		142 Diamond Match Co.	X
28 American Mach. & Foundry Co.	X	85 Burroughs Adding Mach. Co.	X	143 Dome Mines, Ltd.	X
29 American Mach. & Metals, Inc.		86 Butte Copper & Zinc Co.		144 Douglas Aircraft Co., Inc.	
30 American Metal Co., Ltd.		87 Byers (A. M.) Co.		145 Dresser Mfg. Co.	
31 American Radiator & Standard Sanitary Corp.		88 California Packing Corp.		146 Dunhill International, Inc.	
32 American Rolling Mill Co.		89 Callahan Zinc-Lead Co.		147 Duplan Corp.	X
33 American Safety Razor Corp.	X	90 Calumet & Hecla Cons. Copper Co.		148 Du Pont de Nemours (E.I.) & Co.	X
34 American Seating Co.		91 Campbell, Wyant & Cannon Foundry Co.		149 Eastern Rolling Mill Co.	
35 American Shipbuilding Co.	X	92 Canada Dry Ginger Ale, Inc.		150 Eastman Kodak Co.	X
36 American Smelting & Refining Co.		93 Cannon Mills Co.	X	151 Eaton Mfg. Co.	X
37 American Snuff Co.	X	94 Case (J. I.) Co.		152 Electrical & Musical Industries, Ltd.	
38 American Steel Foundries		95 Caterpillar Tractor Co.	X	153 Electric Auto-Lite Co.	
39 American Stores Co.		96 Celanese Corp. of Amer.		154 Electric Boat Co.	
40 American Sugar Refining Co.		97 Central Aguirre Associates	X	155 Electric Storage Battery Co.	X
41 American Sumatra Tobacco Corp.		98 Century Ribbon Mills, Inc.		156 Endicott Johnson Corp.	X
42 American Tobacco Co.	X	99 Cerro de Pasco Copper Corp.		157 Equitable Office Bldg. Corp.	
43 American Woolen Co.		100 Certain-teed Products Corp.		158 Eureka Vacuum Cleaner Co.	
44 American Zinc, Lead & Smelting Co.		101 Checker Cab Mfg. Corp.		159 Evans Products Co.	
45 Anaconda Copper Mining Co.		102 Chicago Pneumatic Tool Co.		160 Exchange Buffet Corp.	
46 Anaconda Wire & Cable Co.		103 Chicago Yellow Cab Co., Inc.	X	161 Fair (The)	
47 Andes Copper Mining Co.		104 Chickasha Cotton Oil Co.		162 Fairbanks Morse & Co.	
48 A. P. W. Paper Co., Inc.		105 Childs Co.		163 Federal Mining & Smelting Co.	
49 Archer-Daniels-Midland Co.	X	106 Chile Copper Co.		164 Federal Motor Truck Co.	
50 Armour & Co.		107 Chrysler Corp.	X	165 Federated Department Stores, Inc.	X
51 Arnold Constable Corp.		108 City Ice & Fuel Co.	X	166 Filene's (Wm.) Sons, Co.	X
52 Artloom Corp.		109 City Stores Co.		167 Firestone Tire & Rubber Co.	X
53 Associated Dry Goods Corp.		110 Clark Equipment Co.		168 First National Stores, Inc.	X
54 Atlantic Gulf & W. Indies S.S. Lines		111 Cluett, Peabody & Co., Inc.	X	169 Florsheim Shoe Co.	
55 Atlantic Refining Co.	X	112 Coca-Cola Co.	X	170 Food Machinery Corp.	
56 Atlas Powder Co.		113 Colgate-Palmolive-Peet Co.	X	171 Foster Wheeler Corp.	
57 Atlas Tack Corp.		114 Collins & Aikman Corp.	X	172 Franklin Simon & Co., Inc.	
		115 Columbian Carbon Co.		173 Freeport Sulphur Co.	X

Exhibit 254

16248

6165
Section I
Page 2

COMPLETE LIST OF INDUSTRIAL COMPANIES WHOSE COMMON STOCK WERE LISTED ON THE NEW YORK STOCK EXCHANGE

FROM JANUARY 1, 1932 TO APRIL 1, 1942

Companies Which Paid Common Dividends Each Year 1932-1941, Incl.		Companies Which Paid Common Dividends Each Year 1932-1941, Incl.		Companies Which Paid Common Dividends Each Year 1932-1941, Incl.	
174 Gabriel Co.		232 International Silver Co.		290 Montgomery Ward & Co., Inc.	
175 Gamswell Co.		233 Interstate Dept. Stores, Inc.		291 Morrell (John) & Co.	X
176 General American Transp. Corp.	X	234 Intertype Corp.		292 Motor Products Corp.	
177 General Baking Co.	X	235 Island Creek Coal Co.	X	293 Motor Wheel Corp.	
178 General Bronze Corp.		236 Jewel Tea Co., Inc.	X	294 Mullins Mfg. Corp.	
179 General Cable Corp.		237 Johns-Manville Corp.		295 Munsingwear, Inc.	
180 General Cigar Co., Inc.	X	238 Jones & Laughlin Steel Corp.		296 Murray Corp. of Amer.	
181 General Elec. Co.	X	239 Kaufmann Dept. Stores, Inc.	X	297 Myers (P. E.) & Bro. Co.	X
182 General Foods Corp.	X	240 Kaysor (Julius) & Co.		298 Nash-Kelvinator Corp.	
183 General Mills, Inc.	X	241 Kennecott Copper Corp.		299 National Acme Co.	
184 General Motors Corp.	X	242 Kimberly-Clark Corp.		300 National Biscuit Co.	X
185 General Outdoor Adv. Co., Inc.		243 Kinney (G. R.) Co., Inc.		301 National Cash Register Co.	
186 General Printing Ink Corp.	X	244 Kresge (S. S.) Co.	X	302 National Dairy Prod. Corp.	X
187 General Railway Signal Co.		245 Kresge Dept. Stores, Inc.		303 National Distillers Prod. Corp.	
188 General Refractories Co.		246 Kress (S. H.) & Co.	X	304 National Enameling & Stamping Co.	
189 Gillette Safety Razor Co.	X	247 Kroger Grocery & Baking Co.	X	305 National Lead Co.	X
190 Gimbel Bros., Inc.		248 Lambert Co.	X	306 National Steel Corp.	X
191 Glidden Co.		249 Lane Bryant, Inc.		307 National Supply Co.	
192 Gobel (Adolph), Inc.		250 Lee Rubber & Tire Corp.		308 National Tea Co.	
193 Goodrich (B. F.) Co.		251 Lehigh Portland Cement Co.		309 Neisner Bros., Inc.	
194 Goodyear Tire & Rubber Co.		252 Lehigh Valley Coal Corp.		310 Newport Industries, Inc.	
195 Gotham Silk Hosiery Co., Inc.		253 Lehn & Fink Products Corp.	X	311 New York Air Brake Co.	
196 Graham-Paige Motors Corp.		254 Libbey-Owens-Ford Glass Co.		312 New York Dock Co.	
197 Granby Consol. Min. & Smelt. & Pwr. Co.		255 Liggett & Myers Tobacco Co.	X	313 New York Shipbuilding Corp.	
198 Granite City Steel Co.	X	256 Lilly-Tulip Cup Corp.	X	314 North American Aviation, Inc.	
199 Grant (W.T.) Co.	X	257 Lima Locomotive Wks., Inc.		315 North American Co.	
200 Great Northern Iron Ore Properties		258 Link-Belt Co.	X	316 Norwalk Tire & Rubber Co.	
201 Great Western Sugar Co.		259 Liquid Carbonic Corp.		317 Ohio Oil Co.	
202 Guantanamo Sugar Co.		260 Loew's, Inc.	X	318 Omnibus Corp.	
203 Hall (W. F.) Printing Co.		261 Loose-Wiles Biscuit Co.	X	319 Oppenheim, Collins & Co., Inc.	
204 Hamilton Watch Co.		262 Lorillard (P.) Co.	X	320 Otis Elevator Co.	X
205 Harbison-Walker Refractories Co.		263 MacAndrews & Forbes Co.	X	321 Otis Steel Co.	
206 Hayes Mfg. Corp.		264 Mack Trucks, Inc.	X	322 Outlet Co.	X
207 Helms (G. W.) Co.	X	265 Macy (H. M.) & Co., Inc.	X	323 Owens-Illinois Glass Co.	X
208 Hercules Motor Corp.		266 Madison Square Garden Corp.		324 Pacific Coast Co.	
209 Hercules Powder Co.	X	267 Magna Copper Co.	X	325 Pacific Mills	
210 Hershey Chocolate Corp.	X	268 Mandel Bros., Inc.		326 Packard Motor Car Co.	
211 Holland Furnace Co.		269 Manhattan Shirt Co.		327 Pan-American Petroleum & Transport. Co.	
212 Holland (A.) & Son, Inc.		270 Maracaibo Oil Exploration Corp.		328 Panhandle Producing & Refining Co.	
213 Homestake Mining Co.	X	271 Marshall Field & Co.		329 Park & Tilford, Inc.	
214 Houdaille-Hershey Corp.		272 Martin-Parry Corp.		330 Park Utah Consol. Mines Co.	
215 Houston Oil Co. of Texas		273 Matteson Alkali Works	X	331 Parmelee Trans. Co.	
216 Howe Sound Co.		274 May Dept. Stores Co.	X	332 Patino Mines & Enterprises Consol., Inc.	
217 Hudson Motor Car Co.		275 Maytag Co.		333 Penick & Ford, Ltd., Inc.	X
218 Hupp Motor Car Corp.		276 McGill Corp.	X	334 Penney (J. C.) Co.	X
219 Indian Refining Co.		277 McGraw-Hill Publishing Co., Inc.		335 Pennsylvania-Dixie Cement Corp.	
220 Industrial Rayon Corp.		278 McIntyre Porcupine Mines, Ltd.	X	336 Peoples Drug Stores, Inc.	X
221 Ingersoll-Rand Co.	X	279 McEllan Stores Co.		337 Pet Milk Co.	X
222 Inland Steel Co.		280 Melville Shoe Corp.	X	338 Petroleum Corp. of Amer.	
223 Inspiration Consol. Copper Co.		281 Mengel Co.		339 Phelps Dodge Corp.	
224 Intercontinental Rubber Co.		282 Kosta Mach. Co.	X	340 Phillips-Jones Corp.	
225 Interlake Iron Corp.		283 Miami Copper Co.		341 Phillips Petroleum Co.	
226 International Bus. Mach. Corp.	X	284 Mid-Continent Petroleum Corp.		342 Philip Morris Co., Ltd., Inc.	X
227 International Harvester Co.	X	285 Midland Steel Products Co.		343 Phoenix Hosiery Co.	
228 International Mercantile Marine Co.		286 Minneapolis-Honeywell Regulator Co.	X	344 Pillsbury Flour Mills Co.	X
229 International Nickel Co. Canada, Ltd.		287 Minneapolis-Moline Power Imp. Co.		345 Pittsburgh Coal Co.	
230 International Salt Co.	X	288 Mohawk Copper Mills, Inc.		346 Pittsburgh Screw & Bolt Corp.	
231 International Shoe Co.	X	289 Monsanto Chemical Co.	X	347 Pittston Co.	

Exhibit 254

COMPLETE LIST OF INDUSTRIAL COMPANIES WHOSE COMMON STOCKS WERE LISTED ON THE NEW YORK STOCK EXCHANGE

FROM JANUARY 1, 1932 TO APRIL 1, 1942

Companies Which Paid Common Dividends Each Year 1932-1941, Inc.		Companies Which Paid Common Dividends Each Year 1932-1941, Inc.		Companies Which Paid Common Dividends Each Year 1932-1941, Incl.	
340 Poor & Co.		389 Standard Oil of W. J.	X	430 U. S. Realty & Improvement Co.	
340 Procter & Gamble Co.	X	390 Starrett (L. S.) Co.		431 U. S. Rubber Co.	
350 Pullman, Inc.	X	391 Stewart-Warner Corp.		432 U. S. Smelt., Refin. & Mining Co.	X
351 Pure Oil Co.		392 Stone & Webster, Inc.		433 U. S. Steel Corp.	
352 Purity Bakeries Corp.	X	393 Sun Oil Co.	X	434 U. S. Tobacco Co.	X
353 Radio Corporation of America		394 Superheater Co.	X	435 United Stores Corp.	
354 Radio-Kelth-Orpheum Corp.		395 Superior Oil Corp.		436 Universal Leaf Tobacco Co., Inc.	X
355 Raybestos-Manhattan, Inc.	X	396 Superior Steel Corp.		437 Vadsco Sales Corp.	
356 Real Silk Hosiery Mills, Inc.	X	397 Telautograph Corp.	X	438 Van Realte Co., Inc.	
357 Remington Rand, Inc.		398 Tennessee Corp.		439 Vanadium Corp. of Amer.	
358 Republic Steel Corp.		399 Texas Company	X	440 Virginia-Carolina Chemical Corp.	
359 Revere Copper & Brass, Inc.		400 Texas Gulf Sulphur Co.	X	441 Vulcan-Detinning Co.	
360 Reynolds Metals Co.		401 Texas Pacific Coal & Oil Co.		442 Waldorf System, Inc.	X
361 Reynolds Spring Co.		402 Thatcher Mfg. Co.		443 Walgreen Co.	
362 Reynolds (R. J.) Tobacco Co.	X	403 Thermod Co.		444 Walworth Co.	
363 Ritter Dental Mfg. Co., Inc.		404 Thompson (John R.) Co.		445 Ward Baking Co.	
364 Safeway Stores, Inc.	X	405 Thompson Products, Inc.		446 Warner Bros. Pictures, Inc.	
365 St. Joseph Lead Co.		406 Thompson-Starrett Co., Inc.		447 Warren Bros. Co.	
366 Savage Arms Corp.		407 Tide Water Associated Oil Corp.		448 Warren Foundry & Pipe Corp.	
367 Scott Paper Co.	X	408 Tinkens-Detroit Axle Co.		449 Weston Oil & Snowdrift Co., Inc.	X
368 Seaboard Oil Co. (Dele.)	X	409 Tinsken-Roller-Bearing Co.	X	450 Westinghouse Air Brake Co.	X
369 Seagrave Corp.		410 Transue & Williams Steel Forging Corp.		451 Westinghouse Elec. & Mfg. Co.	
370 Sears, Roebuck & Co.		411 Truax-Treer Coal Co.		452 Weston Elec. Instrument Corp.	
371 Serval, Inc.		412 Truscon Steel Co.		453 Westvaco Chlorine Prod. Corp.	X
372 Sharon Steel Corp.		413 Underwood-Elliott Fisher Co.	X	454 Wheeling Steel Corp.	
373 Shupp & Schme, Inc.		414 Union Bag & Paper Corp.		455 White Motor Co.	
374 Smith (Frank G.) Co.	X	415 Union Carbide & Carbon Corp.		456 White Rock Mineral Springs Co.	
375 Skell Union Oil Corp.		416 Union Oil Co. of Calif.	X	457 White Sewing Machine Corp.	
376 Simpson Co.		417 Union Tank Car Co.	X	458 Wilcox (H. F.) Oil & Gas Co.	
377 Snelly Oil Co.		418 United Biscuit Co. of Amer.	X	459 Willys-Overland Motors, Inc.	
378 Sloss-Sheffield Steel & Iron Co.		419 United Carbon Co.		460 Wilson & Co., Inc.	
379 Snider Packing Corp.		420 United Dyewood Corp.		461 Woolworth (F. W.) Co.	X
380 Socony-Vacuum Oil Co., Inc.	X	421 United Electric Coal Cos.		462 Northington Pump & Machinery Corp.	
381 South Porto Rico Sugar Co.		422 United Fruit Co.	X	463 Bright Aeronautical Corp.	
382 Sparks-Withington Co.		423 United Paper Board Co., Inc.		464 Wrigley (Wm. Jr.) Co.	X
383 Spear & Co.		424 U. S. Freight Co.	X	465 Yale & Towne Mfg. Co.	X
384 Spencer Kellogg & Sons, Inc.	X	425 U. S. Gypsum Corp.		466 Yellow Truck & Coach Mfg. Co.	
385 Spicer Mfg. Corp.		426 U. S. Hoffman Mach. Corp.		467 Young (L. A.) Spring & Wire Corp.	
386 Spiegel, Inc.		427 U. S. Industrial Alcohol Co.		468 Youngstown Sheet & Tube Co.	
387 Standard Brands, Inc.	X	428 U. S. Leather Co.		469 Zenith Radio Corp.	
388 Standard Oil of California	X	429 U. S. Pipe & Foundry Co.	X	470 Zonite Products Corp.	

16250

6169

Exhibit 254

SECTION II

SUMMARY SHOWING COMPUTATION OF "INVESTORS' APPRAISAL
OF THE RISKS OF CAPITAL
REPRESENTED BY 163 STABLE INDUSTRIAL COMPANIES"

Exhibit 254

SUMMARY SHOWING COMPUTATION OF "INVESTORS' APPRAISAL OF THE RISKS OF CAPITAL"

REPRESENTED BY 153 STABLE INDUSTRIAL COMPANIES.

	Indicated Market Value of Capital					Earnings Available for Capital				
	1937	1938	1939	1940	1941	1937	1938	1939	1940	1941
	-----In Thousands of Dollars-----					-----In Thousands of Dollars-----				
Abraham & Straus, Inc.	13,223	10,612	9,963	9,847	-	916	906	1,079	1,121	-
Adams-Millis Corp.	4,147	3,003	3,432	3,402	3,276	475	536	553	472	624
Air Reduction Co., Inc.	160,079	138,308	143,199	128,284	108,034	7,327	3,769	5,077	6,447	7,117
Alaska Juneau Gold Mining Co.	17,672	16,462	12,093	8,181	-	1,911	1,572	917	722	-
Allied Chemical & Dye Corp.	446,894	353,363	389,681	351,488	335,170	24,771	13,111	21,042	20,685	21,417
Amerasia Petroleum Corp.	65,610	52,447	40,095	38,251	-	2,400	1,634	1,231	1,776	-
American Brake Shoe & Foundry Co.	49,171	35,735	41,656	35,548	37,598	3,411	1,061	2,121	2,968	3,125
American Can Co.	302,215	286,992	324,932	331,522	266,760	17,926	13,645	16,556	17,791	19,244
American Chicle Co.	44,188	46,682	52,695	55,007	45,888	3,619	3,297	3,835	3,671	3,528
American Hawaiian Steamship Co.	5,471	5,244	9,833	16,016	-	(31)	613	993	3,431	-
American Home Products Corp.	53,534	31,638	44,645	48,310	44,931	2,945	3,063	4,317	4,363	4,552
American Machine & Foundry Co.	19,366	13,424	13,120	12,198	10,912	1,038	893	953	1,327	1,374
American Safety Razor Corp.	13,440	8,621	8,649	4,841	2,976	1,294	906	777	363	666
American Ship Building Co.	8,307	3,717	4,603	4,134	4,443	453	428	(206)	226	596
American Snuff Co.	29,758	28,371	33,156	31,176	23,300	1,573	1,655	1,536	1,377	1,374
American Tobacco Co.	477,223	461,948	508,342	468,846	448,165	27,074	26,473	27,533	29,640	25,247
Archer-Daniels-Midland Co.	22,086	17,480	19,061	15,939	16,315	2,967	438	1,829	3,047	3,103
Atlantic Refining Co.	89,892	101,328	98,791	103,324	196,783	10,140	4,539	5,820	7,014	15,143
Beech-Nut Packing Co.	44,960	46,273	51,059	50,096	51,190	2,741	2,527	2,473	2,890	2,709
Best & Co., Inc.	14,760	13,125	14,140	9,722	8,507	1,257	1,047	1,068	1,132	1,076
John Aluminum & Brass Corp.	12,130	8,064	7,841	9,473	-	1,773	163	759	1,447	-
Borden Co.	95,727	78,107	64,637	90,704	100,198	6,291	6,641	7,960	7,563	8,511
Borg-Warner Corp.	64,461	60,866	59,306	45,265	-	8,348	(20)	5,684	6,730	-
Briggs & Stratton Corp.	11,217	7,447	10,697	10,177	9,563	1,274	642	944	1,041	1,185
Brown Shoe Co., Inc.	14,091	12,072	11,907	10,934	11,241	634	328	882	581	1,064
Burrroughs Adding Machine Co.	126,550	91,900	74,400	40,400	37,600	8,163	2,707	2,201	3,146	4,771
Cannon Mills Co.	44,204	31,116	35,067	34,573	-	2,232	2,278	3,596	3,932	-
Caterpillar Tractor Co.	143,550	94,365	101,435	97,171	84,557	10,169	3,236	6,117	7,960	7,853
Central Aguirre Associates	23,468	17,414	18,157	16,064	14,207	2,947	1,973	1,119	1,203	1,516
Chicago Yellow Can Co., Inc.	8,100	3,114	2,568	2,907	-	76	58	313	312	-
Chrysler Corp.	394,604	289,309	321,984	315,718	247,492	50,729	18,798	36,880	37,602	40,114
City Ice & Fuel Co.	37,144	28,622	30,568	29,298	29,450	3,472	2,930	3,131	2,241	3,136
Cluett, Peabody & Co., Inc.	18,751	16,368	24,501	28,751	28,101	1,111	3,056	2,774	3,041	-
Coca-Cola Co.	562,100	531,215	511,186	496,700	-	24,682	25,571	20,030	28,885	-
Colgate-Palmolive-Peet Co.	60,303	47,201	50,259	43,979	-	693	5,013	6,721	4,130	-
Columbian Carbon Co.	51,258	40,913	46,411	45,615	39,499	4,466	2,758	2,857	3,062	3,329
Congoleum-Nairn, Inc.	46,523	31,011	34,319	28,674	22,240	2,525	1,265	2,112	1,617	2,017
Continental Can Co., Inc.	173,683	144,307	141,724	139,684	110,015	8,914	7,102	6,836	8,954	6,071
Corn Products Refining Co.	193,771	198,082	194,989	178,310	168,386	8,101	9,754	10,120	9,581	10,766
Cream of Wheat Corp.	17,400	15,336	17,736	15,078	8,850	1,203	1,245	1,079	1,141	1,055
Diamond Match Co.	40,202	39,942	46,361	44,369	40,003	2,112	2,074	2,137	1,922	2,041
Dome Mines, Ltd.	44,900	60,347	57,813	34,067	-	4,117	4,055	3,842	4,007	-
Duplan Corp.	5,691	4,657	5,223	5,197	-	331	420	414	268	-
Du Pont de Nemours (E. I.) & Co.	1,738,728	1,560,412	1,941,766	2,087,646	1,877,689	88,088	55,244	93,271	86,967	90,401
Eastman Kodak Co.	394,368	357,378	411,987	361,624	339,571	22,347	17,339	21,538	20,077	21,569
Eaton Manufacturing Co.	18,562	12,623	16,226	20,756	22,474	2,569	23	2,707	2,995	4,365
Electric Storage Battery Co.	30,188	25,784	26,553	26,499	27,634	2,110	949	1,821	2,166	3,312
Endicott Johnson Corp.	26,721	23,359	22,508	24,235	25,688	1,521	852	1,611	1,664	2,351
Federated Department Stores, Inc.	43,491	39,483	40,726	39,000	-	2,972	3,045	3,790	3,595	-
Filene's (Wm.) Sons, Co.	22,780	18,763	15,870	15,511	-	784	747	967	671	-
Firestone Tire & Rubber Co.	116,089	130,243	138,748	125,272	122,340	9,934	8,871	8,791	10,784	13,711
First National Stores, Inc.	32,264	27,787	36,310	32,130	-	2,705	2,774	2,739	2,300	-
Freeport Sulphur Co.	21,360	20,656	24,008	28,484	-	2,704	1,506	2,274	3,123	-
General American Transportation Corp.	93,009	75,788	83,202	78,016	79,389	3,565	4,308	4,421	5,303	4,779
General Baking Co.	31,326	25,036	26,565	22,328	19,299	1,505	2,213	1,507	1,924	1,176
Totals Forward	6,632,743	5,622,016	6,503,811	6,353,748	4,976,189	411,922	278,233	386,501	392,774	350,614

Exhibit 254

16252

Section II
Page 2

SUMMARY SHOWING COMPUTATION OF "INVESTORS' APPRAISAL OF THE RISKS OF CAPITAL"
REPRESENTED BY 157 STOCK INDUSTRIAL COMPANIES

	Indicated Market Value of Capital					Earnings Available for Capital				
	1937	1938	1939	1940	1941	1937	1938	1939	1940	1941
	-----In Thousands of Dollars-----					-----In Thousands of Dollars-----				
Totals Forward	6,632,743	6,822,016	6,503,811	6,353,748	4,976,189	411,922	279,243	386,501	392,774	350,814
General Cigar Co., Inc.	23,837	17,516	15,670	13,770	15,199	1,674	1,207	879	1,369	1,667
General Electric Co.	1,422,168	1,083,159	1,088,651	966,986	861,441	63,547	27,729	41,236	56,241	57,197
General Foods Corp.	189,997	183,073	238,852	235,482	216,787	9,206	17,577	15,118	15,244	14,183
General Mills, Inc.	64,347	70,250	85,184	85,021	-	4,111	6,451	5,639	5,252	-
General Motors Corp.	2,329,095	1,918,159	2,217,544	2,243,027	1,897,733	196,437	102,190	183,290	195,622	201,653
General Printing Ink Corp.	13,685	10,551	10,264	9,278	8,064	1,181	664	894	837	943
Gillette Safety Razor Co.	50,480	33,677	28,784	22,147	19,714	4,500	2,942	3,286	2,601	3,127
Granite City Steel Co.	13,507	7,525	9,791	8,761	6,525	298	(266)	516	488	628
Grant (A. T.) Co.	50,723	39,563	46,207	47,951	-	3,510	2,864	3,945	3,648	-
Heine (G. W.) Co.	30,430	28,071	31,368	28,966	22,913	1,678	1,639	1,667	1,474	1,454
Hercules Powder Co.	86,448	96,889	119,846	122,998	106,989	4,440	3,089	5,325	5,808	6,099
Hershey Chocolate Corp.	61,310	57,831	68,262	66,874	58,173	932	4,126	6,233	5,908	5,944
Homestake Mining Co.	93,934	114,650	114,529	95,702	82,583	7,169	6,941	7,104	6,091	5,683
Howe Sound Co.	30,204	18,213	23,003	18,627	15,040	4,753	2,114	2,491	1,724	1,808
Ingersoll-Rand Co.	108,679	90,976	109,638	96,705	-	9,725	5,212	6,011	6,999	-
International Business Machines Corp.	137,783	143,711	147,444	159,077	161,991	8,390	9,135	9,566	3,861	10,216
International Harvester Co.	490,826	375,408	375,522	343,759	341,391	32,492	18,472	12,960	23,161	20,675
International Sulf Co.	9,836	9,987	11,540	10,980	13,371	728	681	657	1,083	901
International Shoe Co.	132,543	106,489	120,759	111,136	95,696	6,267	4,268	6,588	6,474	7,207
Island Creek Coal Co.	18,065	15,340	16,626	19,257	-	1,528	1,025	1,800	2,347	-
Jewel Tea Co., Inc.	18,644	16,372	21,403	24,079	26,560	1,452	1,424	1,583	1,577	1,519
Kaufmann Department Stores, Inc.	16,818	13,677	13,574	13,197	12,440	1,581	890	1,266	1,480	1,280
Kresge (S. S.) Co.	128,116	107,016	130,706	127,181	130,888	10,884	3,102	10,279	10,204	10,523
Kress (S. H.) & Co.	90,197	71,562	70,280	70,185	68,697	5,856	3,668	4,964	5,339	5,123
Kroger Grocery & Baking Co.	34,988	31,092	45,580	49,547	49,547	2,950	3,742	5,515	4,607	4,970
Lambert Co.	12,733	9,516	11,987	10,546	9,188	1,152	1,278	1,662	1,173	1,310
Lehn & Fink Products Corp.	5,828	4,217	4,562	4,661	5,082	533	420	625	204	770
Liggett & Meyers Tobacco Co.	371,185	352,799	363,354	373,123	318,920	22,699	21,672	22,009	21,624	19,127
Lilly-Tulip Cup Corp.	3,696	3,116	3,317	3,743	-	341	225	682	644	-
Link-Belt Co.	36,341	30,215	30,649	27,151	26,445	5,232	1,106	1,733	2,514	2,913
Loew's, Inc.	147,634	117,682	120,131	94,640	100,878	16,125	11,561	11,443	10,470	12,625
Loose-Wiles Biscuit Co.	20,047	14,001	14,906	12,633	9,164	734	988	1,084	1,191	1,176
Lorillard (F.) Co.	69,416	61,532	70,093	68,966	59,038	2,986	4,717	4,645	4,546	4,070
MacAndrews & Forbes Co.	12,080	10,620	12,180	11,865	-	886	724	870	912	-
Mack Trucks, Inc.	23,780	14,485	15,419	14,563	17,735	1,285	(929)	683	1,806	2,944
Macy (R. H.) & Co., Inc.	81,846	72,412	66,924	51,658	-	4,668	2,774	4,284	4,262	-
Magma Copper Co.	16,626	11,987	12,284	12,138	10,283	1,456	654	1,386	1,133	1,492
Mathieson Alkali Works, (Inc.)	30,032	27,262	28,002	26,226	27,157	1,664	999	1,096	1,588	1,744
May Department Stores Co.	57,150	56,600	65,222	64,971	-	5,274	4,091	4,876	5,338	-
McCall Corp.	13,615	6,509	6,964	7,065	5,940	673	562	740	829	802
McIntyre Porcupine Mines, Ltd.	26,975	35,863	39,205	29,327	-	3,598	3,713	3,719	3,819	-
Melville Shoe Corp.	31,789	20,549	37,741	37,621	38,567	1,874	1,484	2,175	3,211	2,924
Westa Machine Co.	52,363	36,684	31,744	30,874	30,133	4,668	2,910	2,718	3,083	3,608
Minneapolis-Honeywell Regulator Co.	57,204	45,398	43,684	30,270	28,059	2,929	1,003	2,159	2,529	2,737
Monsanto Chemical Co.	104,809	121,326	135,498	134,540	126,211	4,999	3,151	5,429	5,827	6,663
Morrell (John) & Co.	12,921	11,691	15,268	15,249	15,393	(671)	1,016	2,150	1,995	1,706
Myers (F. E.) & Bro. Co.	11,500	9,126	9,550	9,400	8,550	1,063	822	800	971	1,090
National Biscuit Co.	197,530	176,260	196,903	169,230	140,777	11,895	12,800	12,634	11,149	10,732
National Dairy Products Corp.	196,112	159,822	166,782	168,184	160,949	12,866	13,749	15,273	13,199	14,313
National Lead Co.	141,311	120,565	115,710	103,376	96,631	4,887	4,283	5,781	6,103	5,376
National Steel Corp.	228,543	204,640	212,244	200,231	-	20,200	9,047	14,993	16,927	-
Otis Elevator Co.	74,025	52,003	51,746	38,430	36,928	3,592	1,913	2,751	2,771	2,590
Outlet Co.	6,650	5,235	5,362	5,437	-	517	104	567	608	-
Owens-Illinois Glass Co.	221,243	168,696	171,672	151,869	129,590	5,586	5,907	8,860	7,830	9,292
Fenick & Ford Ltd., Inc.	18,635	18,380	19,764	19,465	17,989	272	1,140	1,456	1,074	1,597
Totals Forward	14,574,142	12,461,374	13,765,558	13,276,153	10,606,505	943,218	625,271	863,374	907,327	836,207

Exhibit 254

SUMMARY SHOWING COMPUTATION OF "INVESTORS' APPRAISAL OF THE RISKS OF CAPITAL"

REPRESENTED BY 153 STABLE INDUSTRIAL COMPANIES

	Indicated Market Value of Capital					Earnings Available for Capital				
	1937	1938	1939	1940	1941	1937	1938	1939	1940	1941
	-----In Thousands of Dollars-----					-----In Thousands of Dollars-----				
Totals Forward	14,574,142	12,461,374	13,765,558	13,275,153	10,608,505	943,218	625,271	863,374	907,327	836,207
Pennsey (J.C.) Co.	208,121	178,715	214,651	229,809	222,819	16,575	13,739	16,481	16,231	17,128
Peoples Drug Stores, Inc.	12,029	7,061	7,779	9,328	13,046	1,060	859	1,020	1,069	1,110
Pet Milk Co.	10,644	6,795	11,692	9,206	11,860	761	953	1,156	1,275	1,516
Philip Morris & Co., Ltd., Inc.	41,662	65,883	79,488	89,480	-	5,663	6,551	7,436	7,761	-
Pillsbury Flour Mills Co.	19,364	18,841	20,566	19,372	-	258	1,938	1,116	1,011	-
Procter & Gamble Co.	368,499	336,351	368,539	414,740	372,324	26,803	15,262	25,303	26,628	27,582
Pullman, Inc.	186,463	115,745	122,972	93,824	80,921	12,276	2,296	4,009	7,484	10,919
Purity Baking Corp.	16,929	13,767	16,876	18,026	12,178	804	1,479	1,933	1,426	1,669
Raybestos-Manhattan, Inc.	17,993	12,248	12,548	12,091	11,111	1,925	322	1,608	1,697	2,053
Reynolds (R.J.) Tobacco Co.	503,170	416,050	418,000	389,250	305,340	27,602	23,734	25,645	25,548	23,239
Safeway Stores, Inc.	57,368	44,291	62,439	66,991	-	3,443	4,873	6,919	5,764	-
Scott Paper Co.	27,267	32,173	38,692	34,237	30,182	1,354	1,555	1,946	1,750	1,940
Seaboard Oil Co. (Delaware)	43,828	26,754	24,813	19,147	17,367	2,447	1,896	1,746	1,301	1,257
Shattuck (Frank) Co.	15,262	12,110	11,390	7,428	6,256	833	537	558	298	882
Socony-Vacuum Oil Co., Inc.	692,582	553,535	522,989	442,212	-	55,946	44,479	38,507	40,095	-
Spencer Kellogg & Sons, Inc.	14,070	10,979	9,420	9,706	9,996	1,429	363	662	1,395	1,862
Standard Brands, Inc.	171,110	117,376	100,010	102,854	65,739	9,865	8,721	7,366	9,906	7,759
Standard Oil Co. of California	501,467	390,125	401,334	300,554	-	41,255	28,876	18,043	23,025	-
Standard Oil Co. of New Jersey	1,767,668	1,583,505	1,517,742	1,316,365	-	154,126	84,126	96,323	133,040	-
Sun Oil Co.	162,456	160,921	165,261	166,975	197,407	9,870	3,336	7,551	8,562	10,934
Superheater Co.	36,040	27,426	26,132	18,269	15,014	2,086	466	603	1,329	1,633
Telaugraph Corp.	1,402	1,106	1,119	993	596	177	115	83	101	109
Texas Company	614,584	515,981	559,458	560,544	554,405	57,370	25,823	36,494	35,086	55,344
Texas Gulf Sulphur Co.	130,099	122,680	123,840	123,110	132,480	11,689	6,964	7,847	9,141	9,016
Timken-Roller-Bearing Co.	138,654	104,606	106,792	105,818	107,873	10,837	1,428	7,288	8,995	8,477
Underwood-Elliott Fisher Co.	53,926	40,937	36,899	24,415	23,909	4,913	1,768	1,857	2,226	3,740
Union Carbide & Carbon Corp.	786,286	710,879	781,110	716,862	675,288	43,561	26,186	37,087	43,489	42,813
Union Oil Co. of California	127,077	112,757	212,510	108,636	102,694	12,949	7,699	7,019	5,989	7,613
Union Tank Car Co.	31,585	25,608	25,898	29,036	30,610	2,016	1,365	2,411	2,446	2,239
United Biscuit Co. of America	16,682	15,477	14,717	17,202	-	1,213	1,328	1,389	1,197	-
United Fruit Co.	208,061	170,175	228,107	213,350	203,239	12,033	10,273	14,102	14,921	15,443
U. S. Gypsum Co.	126,105	114,616	119,372	95,690	77,812	3,421	4,725	7,366	7,053	7,034
U. S. Pipe & Foundry Co.	34,818	28,851	28,449	20,836	18,136	2,269	1,698	2,570	2,404	2,615
U. S. Smelting, Refining and Mining Co.	72,848	60,340	61,217	59,493	62,697	6,653	4,114	5,215	5,950	4,916
U. S. Tobacco Co.	60,913	64,056	65,808	67,274	52,727	3,463	3,358	9,152	9,743	3,351
Universal Leaf Tobacco Co., Inc.	19,004	18,904	20,188	17,332	16,891	1,636	1,538	1,529	1,520	1,445
Waldorf System, Inc.	5,599	7,040	2,878	3,210	2,422	503	265	391	554	510
Wesson Oil & Snowdrift Co., Inc.	46,266	41,009	32,853	32,510	32,713	3,494	3,067	(526)	1,609	3,771
Westinghouse Air Brake Co.	117,103	78,001	87,836	88,803	82,237	6,237	994	2,766	5,592	6,059
Westvaco Chlorine Products Corp.	11,824	10,085	15,824	18,223	17,526	785	804	1,275	1,216	1,296
Woolworth (F. W.) Co.	492,172	445,498	429,099	372,591	301,561	33,321	28,885	29,620	24,585	26,698
Wrigley (Wm. Jr.) Co.	131,774	136,438	167,424	163,009	128,172	8,744	7,654	8,651	8,227	8,090
Yale & Towne Manufacturing Co.	20,503	14,541	12,653	9,796	9,125	1,326	69	3,024	1,411	1,669
Grand Total	22,692,237	19,423,780	21,058,650	19,871,442	14,601,745	1,550,677	1,011,742	1,315,905	1,418,677	1,166,698

Exhibit 254

SECTION III

WORKING PAPERS SHOWING THE COMPUTATION OF "INVESTORS' APPRAISAL OF THE RISKS OF CAPITAL"

OF EACH OF THE 153 STABLE INDUSTRIAL COMPANIES

Note: Unless otherwise indicated all market price ranges on bonds were obtained from Standard & Poor's Corp. (formerly Standard Statistics Company, Inc.) Bond Guides dated January 7, 1942, January, 1941, January, 1940, January, 1939 and January, 1938; and all market price ranges on stocks were obtained from the Commercial and Financial Chronicle - Bank & Quotation Section, issue of January each year 1938-1942, both inclusive.

All company data, i.e., amount of capital securities outstanding and earnings available for capital were taken directly from published annual reports of the various companies.

16255

Exhibit 254

ABRAHAM & STRAUS, INC.

	Outstanding January 31e	Price Range for Year			Value		Outstanding January 31e	Price Range for Year			Value
		High	Low	Average				High	Low	Average	
-----1 9 3 7-----											
<u>INDICATED MARKET VALUE OF CAPITAL</u>											
Common Stock (no par)	155,155 shs.	69	37	53.00	\$8,225,215		155,155 shs.	45	30 1/4	37.83	\$5,838,485
Preferred Stock (\$100 par) 4 3/4%											
Cumulative	25,000 shs.			(a)100.00	2,500,000		25,739 shs.			(a)100.00	2,573,900
Fifteen Year 4% Notes, 1950	\$2,500,000			(a)100.00	2,500,000		\$2,500,000			(a)100.00	2,500,000
Total Indicated Market Value					\$13,225,215						\$10,912,385
<u>EARNINGS AVAILABLE FOR CAPITAL</u>											
Earnings Available for Common Stock					\$683,796						\$694,239
Dividends Declared on Preferred Stock					118,750						110,895
Net Income for fiscal years ended January 31, as reported					802,546						884,934
Add: Interest and Amortisation of Debt Discount and Expense					115,860						102,621
Total Earnings Available for Capital					\$918,406						\$907,555
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>											
Dividends Declared on Common Stock					\$225,215						\$257,385
-----1 9 3 9-----											
<u>INDICATED MARKET VALUE OF CAPITAL</u>											
Common Stock (no par)	155,155 shs.	49 1/2	33 1/2	41.50	\$6,438,933		155,155 shs.	45 1/2	30	43.25	\$6,710,454
Preferred Stock (\$100 par) 4 3/4% Cum.	21,739 shs.			(a)100.00	2,173,900		21,387 shs.			(a)100.00	2,138,700
Fifteen Year 4% Notes, 1950	\$1,350,000			(a)100.00	1,350,000					(a)100.00	1,000,000
Fifteen Year 3% Notes, 1950							\$1,000,000				
Total Indicated Market Value					\$9,962,833						\$9,847,154
<u>EARNINGS AVAILABLE FOR CAPITAL</u>											
Earnings Available for Common Stock					\$ 902,507						\$ 970,708
Dividends Declared on Preferred Stock					106,835						101,935
Net Income for fiscal years ended January 31, as reported					1,009,142						1,072,843
Add: Interest and Amortisation of Debt Discount and Expense					70,972						48,155
Total Earnings Available for Capital					\$1,079,314						\$1,120,833
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>											
Dividends Declared on Common Stock					\$225,215						\$257,385

Notes: (a) Price estimated.

• Outstanding January 31 of following year.

16256

Section III
Page 2

Exhibit 254

ADAMS-WILLIS CORPORATION

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no par)	156,000 shs.	28 5/8	17 1/2	23.06	\$3,597,360
(a) First Preferred 7% Cum. Stock (\$100 par)	8,000 shs.			110.00	880,000
Total Indicated Market Value of Capital					\$4,477,360

156,000 shs.	24	14 1/2	19.25		\$3,003,000
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EARNINGS AVAILABLE FOR CAPITAL

Earnings available for Common Stock	\$ 431,693	\$ 400,635
Dividends declared on Preferred Stock	43,750	38,000

Net Income for years ended December 31, as reported	\$ 475,343	\$ 438,635
---	------------	------------

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

11.48%

17.84%

Dividends Declared on Common Stock

\$ 380,000

\$ 195,000

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no par)	156,000 shs.	25	19	22.00	\$3,432,000
-----------------------	--------------	----	----	-------	-------------

156,000 shs.	27 1/2	16 1/8	21.81		\$3,402,360
--------------	--------	--------	-------	--	-------------

EARNINGS AVAILABLE FOR CAPITAL

Net Income for years ended December 31, as reported.	\$ 472,163	\$ 472,250
--	------------	------------

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

16.18%

13.85%

Dividends Declared on Common Stock

\$ 150,000

\$ 150,000

Notes: (a) Price Estimated at Call Price - called November 1, 1936.

16257

6183

Exhibit 254

ADAMS-WILLIS CORPORATION

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
-----1 9 4 1-----				
156,000 shs.	24 1/4	17 3/4	21.00	\$3,276,000

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no par)

EARNINGS AVAILABLE FOR CAPITAL

Net Income for year ended December 31, as reported

\$ 624,232

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock

19.05%

\$ 195,000

Exhibit 254

AIR REDUCTION COMPANY, INCORPORATED

	Outstanding December 31	Price Range for Year			Value
		High	Low	Average	
		1	9	3	7

<u>INDICATED MARKET VALUE OF CAPITAL</u>					
Common Stock (no par)	2,566,191 shs.	80 1/4	44 1/2	62.38	<u>\$160,078,995</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>					
Net Income for years ended December 31, as reported					<u>\$ 7,326,835</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					
					<u>4.56%</u>
Dividends Declared on Common Stock					<u>\$ 7,671,592</u>

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
-----1 9 3 8-----				
2,563,991 shs.	67 7/8	40	53.94	<u>\$138,301,675</u>
				<u>\$ 3,769,337</u>
				<u>2.73%</u>
				<u>\$ 3,204,990</u>

-----1 9 3 9-----					
<u>INDICATED MARKET VALUE OF CAPITAL</u>					
Common Stock (no par)	2,563,991 shs.	68	45 1/4	56.63	<u>\$145,198,810</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>					
Net Income for years ended December 31, as reported					<u>\$ 5,076,825</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					<u>3.50%</u>
Dividends Declared on Common Stock					<u>\$ 3,845,988</u>

-----1 9 4 0-----					
	2,711,157 shs.	58 1/8	36 1/2	47.31	<u>\$128,263,891</u>
					<u>\$ 6,446,680</u>
					<u>5.03%</u>
					<u>\$ 5,423,701</u>

Exhibit 254

AIR REDUCTION COMPANY, INCORPORATED

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
	-----1 9 4 1-----			
2,713,737 shs. 45	34	5/8	39.81	<u>\$108,033,870</u>

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no par.)

EARNINGS AVAILABLE FOR CAPITAL

Net Income for year ended December 31, as reported

\$ 7,116,677

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock

\$ 5,427,674

Exhibit 254

ALASKA JUNEAU GOLD MINING CO.

	Outstanding December 31	Price Range for Year			Value	Outstanding December 31	Price Range for Year			Value
		High	Low	Average			High	Low	Average	
		-----1 9 3 7-----					-----1 9 3 8-----			
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (\$10 par)	1,487,500 shs.	15 3/4	8	11.66	<u>\$17,671,500</u>	1,487,500 shs.	15 3/8	8 3/4	11.06	<u>\$16,451,750</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Net Income for years ended December 31, as reported					<u>\$ 1,311,289</u>					<u>\$ 1,572,197</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					<u>10.82%</u>					<u>9.52%</u>
Dividends Declared on Common Stock					<u>\$ 2,015,250</u>					<u>\$ 1,710,625</u>
		-----1 9 3 9-----					-----1 9 4 0-----			
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (\$10 par)	1,487,500 shs.	10	6 1/4	8.13	<u>\$12,093,750</u>	1,487,500 shs.	7	4	5.50	<u>\$ 8,181,250</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Net Income for years ended December 31, as reported					<u>\$ 916,538</u>					<u>\$ 721,698</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					<u>7.80%</u>					<u>6.82%</u>
Dividends Declared on Common Stock					<u>\$ 1,041,250</u>					<u>\$ 855,313</u>

Exhibit 254

ALLIED CHEMICAL & DYE CORPORATION

	Outstanding December 31	Price Range for Year			Value	Outstanding December 31	Price Range for Year			Value
		High	Low	Average			High	Low	Average	
-----1 9 3 7-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (no par)	2,214,099 shs.	258 1/2	145	201.75	<u>\$446,694,473</u>	2,214,099 shs.	197	124	160.50	<u>\$355,362,690</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Net Income for years ended December 31, as reported					<u>\$ 24,770,845</u>					<u>\$ 13,111,024</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
					<u>5.55%</u>					<u>3.69%</u>
Dividends Declared on Common Stock					<u>\$ 13,005,811</u>					<u>\$ 13,284,594</u>
-----1 9 3 9-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (no par)	2,214,099 shs.	200 1/2	151 1/2	176.00	<u>\$369,681,424</u>	2,214,099 shs.	182	135 1/2	158.75	<u>\$351,488,216</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Net Income for years ended December 31, as reported					<u>\$ 21,042,711</u>					<u>\$ 20,985,270</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
					<u>5.40%</u>					<u>5.94%</u>
Dividends Declared on Common Stock					<u>\$ 15,926,091</u>					<u>\$ 17,712,792</u>

6193

Exhibit 254

ALLIED CHEMICAL & DYE CORPORATION

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
	1	9	4	1
2,214,099 shs.	167 1/2	135 1/4	151.38	<u>\$335,170,307</u>

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no par)

EARNINGS AVAILABLE FOR CAPITAL

Net Income for year ended December 31, as reported

\$ 21,416,5666.39%INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock

\$ 17,712,792

Exhibit 254

AMERADA PETROLEUM CORPORATION

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
788,675 shs.	78	55	66.60	\$52,446,588

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
788,675 shs.	114 7/8	51 1/2	83.19	\$65,609,673

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no par)

EARNINGS AVAILABLE FOR CAPITAL

Net Income for year ended December 31, as reported

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no par)

EARNINGS AVAILABLE FOR CAPITAL

Net Income for year ended December 31, as reported

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock

6195

Exhibit 254

THE AMERICAN BRAKE SHOE AND FOUNDRY COMPANY

	Outstanding December 31	Price Range for Year			Value	Outstanding December 31	Price Range for Year			Value
		High	Low	Average			High	Low	Average	
-----1 9 3 7-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (no par)	769,092 shs.	80 3/4	28	54.38	\$41,823,223	769,092 shs.	82	23 1/4	37.62	\$28,933,241
Preferred Stock, 5 1/2 Cum. Conv. (\$100 par)	54,633 shs.	160	109	134.50	<u>7,348,139</u>	54,633 shs.	138	114	124.50	<u>6,801,809</u>
Total Indicated Market Value of Capital					<u>\$49,171,362</u>					<u>\$35,735,050</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Earnings Available for Common Stock					\$3,090,960					\$793,896
Dividends Declared on Preferred Stock*					<u>329,834</u>					<u>286,823</u>
Net Income for the Years Ended December 31, as Reported					<u>\$3,410,794</u>					<u>\$1,080,719</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
Dividends Declared on Common Stock					<u>\$2,527,626</u>					<u>\$769,092</u>
-----1 9 3 9-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (no par)	769,092 shs.	57 3/4	31 3/4	44.75	\$34,416,887	769,092 shs.	45 3/4	28	36.88	\$28,364,113
Preferred 5 1/2 Cum. Conv. (\$100 par)	54,633 shs.	149	125	132.50	<u>7,236,873</u>	54,633 shs.	138	128	131.50	<u>7,184,240</u>
Total Indicated Market Value of Capital					<u>\$41,653,760</u>					<u>\$35,548,353</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Earnings Available for Common Stock					\$1,834,360					\$2,681,876
Dividends Declared on Preferred Stock					<u>286,823</u>					<u>286,823</u>
Net Income for the Years Ended December 31, as Reported					<u>\$2,121,173</u>					<u>\$2,968,699</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
Dividends Declared on Common Stock					<u>\$961,366</u>					<u>\$1,616,293</u>

16265

6199

Section I/I
Page 11

Exhibit 254

THE AMERICAN BRAKE SHOE AND FOUNDRY COMPANY

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	

-----1 9 4 1-----

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no. par)	769,092 shs.	39	26 1/2	32.75	\$25,187,763
Preferred Stock, 5 1/4% Cum. (\$100 par)	98,000 shs.	130 3/4	122 1/2	126.63	12,409,740
Total Indicated Market Value of Capital					<u>\$37,597,503</u>

EARNINGS AVAILABLE FOR CAPITAL

Earnings Available for Common Stock	\$2,737,292
Dividends Declared on Preferred Stock	457,581
Net Income for Year Ended December 31, as Reported	<u>\$3,194,873</u>

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock	<u>\$1,692,002</u>
------------------------------------	--------------------

8.50%

Exhibit 254

AMERICAN CAR COMPANY

	Outstanding December 31	Price Range for Year			Value	Outstanding December 31	Price Range for Year			Value
		High	Low	Average			High	Low	Average	
-----1 9 3 7-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (\$25 par)	2,473,998 shs.	121	69	95.00	\$235,029,810	2,473,998 shs.	105 1/8	70 3/4	87.94	\$217,563,384
Preferred Stock (\$100 par) 7% Cum.	412,333 shs.	174	151 7/8	162.94	67,188,539	412,333 shs.	176 1/2	160 1/4	168.36	69,428,630
Total Indicated Market Value of Capital					\$302,218,349					\$286,992,014
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Earnings available for Common Stock					\$ 15,041,502					\$ 10,769,168
Dividends declared on Preferred Stock					2,886,331					2,886,331
Net Income for years ended December 31, as reported					\$ 17,927,833					\$ 13,655,499
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
Dividends Declared on Common Stock					\$ 9,825,922					\$ 9,825,922
-----1 9 3 9-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (\$25 par)	2,473,998 shs.	116 1/2	83 1/4	99.88	\$247,102,920	2,473,998 shs.	116 1/2	85 1/4	100.88	\$249,576,918
Preferred Stock (\$100 par) 7% Cum.	412,333 shs.	179	150	164.50	67,828,779	412,333 shs.	185	164	174.50	71,952,109
(a) Ten Year 2 3/4% debentures due 2/1/1949	\$10,000,000			100.00	10,000,000	\$10,000,000			100.00	10,000,000
Total Indicated Market Value of Capital					\$324,931,699					\$331,529,027
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Earnings available for Common Stock					\$ 15,398,633					\$ 14,554,575
Dividends declared on Preferred Stock					2,886,331					2,886,331
Net Income for years ended December 31, as reported					18,284,964					17,440,906
(b) Add: Interest expense					271,016					350,354
Total earnings available for capital					\$ 18,555,980					\$ 17,791,260
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
Dividends Declared on Common Stock					\$ 9,825,922					\$ 9,825,922

Note: (a) Prices Estimated - offered privately.
(b) Obtained from Moody's Industrial Manual.

Exhibit 254
AMERICAN CAN COMPANY

	Outstanding December 31	Price Range for Year			Value
		High	Low	Average	
-----1 9 4 1-----					
<u>INDICATED MARKET VALUE OF CAPITAL</u>					
Common Stock (\$25 par value)	2,473,998 shs.	95 1/4	55 1/4	75.25	\$186,168,350
Preferred Stock (\$100 par value)					
7% Cum.	412,333 shs.	185	157 1/2	171.25	70,612,026
(a) Ten Year 2% debentures, due February 1, 1951	\$10,000,000			100.00	<u>10,000,000</u>
Total Indicated Market Value of Capital.					<u>\$266,780,376</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>					
Earnings available for common stock					\$ 15,959,500
Dividends declared on preferred stock					<u>2,886,331</u>
Net Income for year ended December 31, as reported					18,845,831
Add: Interest and exchange					<u>397,934</u>
Total Earnings Available for Capital					<u>\$ 19,243,765</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					
					<u>7.21%</u>
Dividends Declared on Common Stock					<u>\$ 9,895,992</u>

(a) Prices Estimated - Offered privately.

Exhibit 254

AMERICAN CHICLE COMPANY

	Outstanding December 31	Price Range for Year			Value		Outstanding December 31	Price Range for Year			Value
		High	Low	Average				High	Low	Average	
-----1 9 3 7-----						-----1 9 3 8-----					
<u>INDICATED MARKET VALUE OF CAPITAL</u>											
Common Stock (no par)	437,500 shs.	112	90	101.00	<u>\$44,187,500</u>		437,300 shs.	125	88 1/2	105.75	<u>\$46,681,775</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>											
Net Income for the Years ended December 31, as Reported					<u>\$3,619,078</u>						<u>\$3,297,495</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					<u>8.19%</u>						<u>7.08%</u>
Dividends Declared on Common Stock					<u>\$3,071,300</u>						<u>\$2,406,350</u>
-----1 9 3 9-----						-----1 9 4 0-----					
<u>INDICATED MARKET VALUE OF CAPITAL</u>											
Common Stock (no par)	436,400 shs.	132	109 1/2	120.75	<u>\$52,695,300</u>		435,700 shs.	140 1/2	112	126.25	<u>\$55,007,125</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>											
Net Income for the Years Ended December 31, as reported					<u>\$3,834,553</u>						<u>\$3,670,700</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					<u>7.88%</u>						<u>6.67%</u>
Dividends Declared on Common Stock					<u>\$2,731,100</u>						<u>\$2,832,750</u>

16269

Section III
Page 15

6207

Exhibit 254

AMERICAN CHICLE COMPANY

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
433,925 shs.	121	90 1/2	105.75	<u>\$45,887,569</u>

\$3,527,775

7.69%

\$3,042,900

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no per)

EARNINGS AVAILABLE FOR CAPITAL

Net Income for the Year Ended December 31, as Reported

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock

Exhibit 254

AMERICAN-HAWAIIAN STEAMSHIP COMPANY

	Outstanding December 31	Price Range for Year			Value		Outstanding December 31	Price Range for Year			Value
		High	Low	Average				High	Low	Average	
-----1 9 3 7-----											
<u>INDICATED MARKET VALUE OF CAPITAL</u>											
Common Stock (\$10 par)	450,000 shs.	21	7 3/4	14.38	\$6,471,000		437,000 shs.	15	9	12.00	\$5,244,000
<u>EARNINGS AVAILABLE FOR CAPITAL</u>											
Net Income for years ended December 31, as reported					(\$ 30,501)						\$ 615,138
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>											11.62%
Dividends Declared on Common Stock					\$ 636,220						\$ 437,825
-----1 9 3 8-----											
<u>INDICATED MARKET VALUE OF CAPITAL</u>											
Common Stock (\$10 par)	437,000 shs.	33	12	22.50	\$9,832,500		436,800 shs.	50 1/2	23	36.75	\$16,018,800
<u>EARNINGS AVAILABLE FOR CAPITAL</u>											
Net Income for years ended December 31, as reported					\$ 222,824						\$ 3,431,162
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>											21.42%
Dividends Declared on Common Stock					\$ 555,500						\$ 1,626,350

Note: Parentheses indicate red figure.

Exhibit 254

16271

Section III
Page 17AMERICAN HOME PRODUCTS CORPORATION

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	

-----1 9 3 7-----

-----1 9 3 8-----

INDICATED MARKET VALUE OF CAPITAL

Common Stock (\$1 par)	741,060 shs.	52-3/8	32-1/4	42.31	\$31,354,249	805,842 shs.	45-1/2	30-3/4	38 1/3	\$30,726,755
(b) Notes Payable	\$1,750,000			100.00	1,750,000	\$500,000			100.00	500,000
(b) Purchase Money Mortgages Payable	430,069			100.00	430,069	410,775			100.00	410,775
Total Indicated Market Value of Capital					\$33,534,318					\$31,637,530

EARNINGS AVAILABLE FOR CAPITAL

Net income for years ended December 31, as reported	\$ 2,875,399	\$ 3,025,505
(a) Add: Interest on long-term debt	69,554	37,146
Total Earnings Available for Capital	\$ 2,944,953	\$ 3,062,651

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

8.78%	9.69%
-------	-------

Dividends Declared on Common Stock

\$ 1,926,756	\$ 1,846,735
--------------	--------------

INDICATED MARKET VALUE OF CAPITAL

Common Stock (\$1 par)	804,157 shs.	60	41-3/4	50.88	\$40,915,508	805,857 shs.	66-1/4	45-1/2	55.88	\$45,087,169
(b) Notes payable - bank	\$3,600,000			100.00	3,600,000	\$2,899,781			100.00	2,899,781
(b) Purchase Money Mortgages Payable	329,750			100.00	329,750	322,750			100.00	322,750
Total Indicated Market Value of Capital					\$44,845,258					\$48,309,700

EARNINGS AVAILABLE FOR CAPITAL

Net Income for year ended December 31, as reported	\$ 4,207,426	\$ 4,291,241
(a) Add: Interest on long-term debt	109,789	91,860
Total Earnings Available for Capital	\$ 4,317,215	\$ 4,383,101

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

9.63%	9.07%
-------	-------

Dividends Declared on Common Stock

\$ 2,151,516	\$ 2,177,654
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Notes:

- (a) Interest estimated at 2-1/2% on notes payable and 6% on mortgages.
 (b) Prices estimated by Standard & Poor's Corporation

Exhibit 254

AMERICAN HOME PRODUCTS CORPORATION

	Outstanding December 31	Price Range for Year			Value
		High	Low	Average	
-----1 9 4 1-----					
<u>INDICATED MARKET VALUE OF CAPITAL</u>					
Common Stock (\$1 par)	852,372 shs.	51-1/4	42-1/8	46.69	\$39,797,249
(b) 15 yr. 3-1/2% Sinking Fund Deb.	\$4,821,000			100.00	4,821,000
(c) Mortgage Payable	\$ 313,125			100.00	313,125
Total Indicated Market Value of Capital					<u>\$44,931,374</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>					
Net Income for year ended December 31, as reported					\$ 4,364,560
(a) Add: Interest on long-term debt					187,522
Total Earnings Available for Capital					<u>\$ 4,552,082</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					
Dividends Declared on Common Stock					<u>10.13%</u>
					<u>\$ 2,296,229</u>
(a) Interest estimated at 6% on mortgage					
(b) Issue sold privately to Metropolitan Life Insurance Co. at par					
(c) Price estimated by Standard & Poor's Corporation					

16273

Exhibit 254

AMERICAN MACHINE & FOUNDRY COMPANY

	<u>Outstanding December 31</u>	<u>Price Range for Year</u>			<u>Value</u>	<u>Outstanding December 31</u>	<u>Price Range for Year</u>			<u>Value</u>
		<u>High</u>	<u>Low</u>	<u>Average</u>			<u>High</u>	<u>Low</u>	<u>Average</u>	
		-----1	9	3	7-----		-----1	9	3	8-----
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Capital Stock (no par)	980,542 shs.	29 3/8	10 1/8	19.75	\$19,365,705	980,542 shs.	17 3/8	10	13.69	\$13,423,620
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Net Income for the years ended December 31, as reported					\$ 1,038,346					\$ 892,922
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					5.38%					6.65%
Dividends Declared on Capital Stock					\$ 978,642					\$ 784,434
		-----1	9	3	9-----		-----1	9	4	0-----
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Capital Stock (no par)	980,542 shs.	15 3/4	11	13.38	\$13,119,652	980,542 shs.	14 7/8	10	12.44	\$12,197,942
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Net Income for the years ended December 31, as reported					\$ 933,448					\$ 1,326,879
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>					7.27%					10.80%
Dividends Declared on Capital Stock					\$ 784,434					\$ 784,434

16274

Exhibit 254

AMERICAN MACHINE & FOUNDRY COMPANY

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
980,452 Shs.	13 3/4	8 1/2	11.13	<u>\$10,912,431</u>

INDICATED MARKET VALUE OF CAPITAL

Capital Stock (no par)

EARNINGS AVAILABLE FOR CAPITAL

Net Income for the year ended December 31, as reported

\$ 1,374,032

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Capital Stock

12.59%

\$ 921,709

Exhibit 254

AMERICAN SAFETY RAZOR CORP.

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
523,400 shs.	7 3/8	4 3/8	5.69	\$2,978,146

-----1 9 4 1-----

INDICATED MARKET VALUE OF CAPITALCommon Stock (par \$1⁰⁰.50)EARNINGS AVAILABLE FOR CAPITAL

Net Income for year ended December 31, as reported

\$ 666,052

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

22.36%

Dividends Declared on Common Stock

\$ 261,700

Exhibit 254.

AMERICAN SHIP BUILDING COMPANY

Outstanding June 30	Price Range for Year			Value	Outstanding June 30	Price Range for Year			Value
	High	Low	Average			High	Low	Average	
-----1 9 3 7-----									
-----1 9 3 8-----									
<u>INDICATED MARKET VALUE OF CAPITAL</u>									
Common Stock (no par) 127,683 shs.	58	24 1/2	41.25	\$5,266,924	126,263 shs.	35 1/2	22 3/4	29.13	\$3,578,041
(a) Preferred Stock - 7% nom. cum. (\$100Par) 393 shs.	105 1/4	99	102.13	40,137	393 shs.	108	92	100.00	39,300
Total Indicated Market Value of Capital				<u>\$5,307,061</u>					<u>\$3,717,341</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>									
Earnings available for Common Stock				\$ 447,015					\$ 424,923
Dividends declared on Preferred Stock				5,502					2,751
Net Income for year ended June 30, as reported				<u>\$ 452,517</u>					<u>\$ 427,674</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>									
				8.53%					11.50%
Dividends Declared on Common Stock				\$ 383,049					\$ 380,034

-----1 9 3 9-----									
<u>INDICATED MARKET VALUE OF CAPITAL</u>									
Common Stock (no par) 126,263 shs.	46 1/4	26	36.13	\$4,561,862	127,044 shs.	41 1/2	23	32.25	\$4,097,169
Preferred Stock - 7% nom. cum. (\$100Par) 393 shs.	106	102 1/2	104.25	40,970	339 shs.	110	106	108.00	36,612
Total Indicated Market Value of Capital				<u>\$4,602,832</u>					<u>\$4,133,781</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>									
Earnings available for Common Stock									\$ 223,811
Dividends declared on Preferred Stock									2,373
Net Income for year ended June 30, as reported				(\$ 207,722)					<u>\$ 226,184</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>									
									5.47%
Dividends Declared on Common Stock				<u>\$ 189,395</u>					<u>\$ 190,176</u>

Notes: * No dividends paid on Preferred Stock, as preferred dividends are payable only from current earnings.
 Parentheses indicate red figure.
 (a) High and low bids from National Quotation Bureau.

16278

Exhibit 254

AMERICAN SHIP BUILDING COMPANY

Outstanding June 30	Price Range for Year			Value
	High	Low	Average	
	112	40 3/8	29	\$4,405,886
127,044 shs.			106	36,951
339 shs.				\$4,442,837

-----1 9 4 1-----

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no par)
Preferred Stock 7% - non-cum. (par \$100)

Total Indicated Market Value of Capital

EARNINGS AVAILABLE FOR CAPITAL

Earnings available for Common Stock
Dividends declared on Preferred Stock

Net Income for the year ended June 30, as reported

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock

6225

\$ 127,044

\$ 595,702
2,373

\$ 598,075

13.46%

Exhibit 254

AMERICAN SMUFF COMPANY

	Outstanding December 31	Price Range for Year			Value		Outstanding December 31	Price Range for Year			Value
		High	Low	Average				High	Low	Average	
-----1 9 3 7-----											
<u>INDICATED MARKET VALUE OF CAPITAL</u>											
Common Stock (\$25 par)	434,100 shs.	68 1/2	46	57.25	\$24,852,228		434,100 shs.	61 3/4	45 3/4	53.75	\$23,332,875
Preferred Stock (\$100 par)	35,939 shs.	148	128	136.50	4,905,674		35,989 shs.	150	130	140.00	5,038,460
Total Indicated Market Value					\$29,757,909						\$28,371,335
<u>EARNINGS AVAILABLE FOR CAPITAL</u>											
Earnings available for common stock					\$1,357,048						\$1,439,200
Dividends declared on preferred stock					215,634						215,784
Net income for years ended December 31, as reported					\$1,572,682						\$1,654,984
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>											
					5.28%						5.83%
Dividends Declared on Common Stock					\$1,410,825						\$1,410,825
-----1 9 3 9-----											
<u>INDICATED MARKET VALUE OF CAPITAL</u>											
Common Stock (\$25 par)	434,100 shs.	69	59 1/2	64.25	\$27,890,925		434,100 shs.	70	49 1/2	59.75	\$25,937,475
Preferred (\$100 par)	36,589 shs.	153	140	146.50	5,265,064		36,589 shs.	152 1/2	139	145.75	5,238,109
Total Indicated Market Value					\$33,155,989						\$31,175,584
<u>EARNINGS AVAILABLE FOR CAPITAL</u>											
Earnings available for common stock					\$1,317,861						\$1,166,906
Dividends declared on preferred stock					218,484						219,534
Net income for years ended December 31, as reported					\$1,536,365						\$1,376,500
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>											
					4.53%						4.42%
Dividends Declared on Common Stock					\$1,410,825						\$1,410,825

Exhibit 254

AMERICAN SNUFF COMPANY

Outstanding December 31	Price Range for Year			Value
	High	Low	Average	
-----	-----	-----	-----	-----
	1	9	4	1
Common Stock (\$25 par)	54	29 3/8	41.69	\$18,097,629
Preferred Stock (\$100 par)	180 1/2	139	144.75	5,202,170
Total Indicated Market Value of Capital				\$23,299,799

INDICATED MARKET VALUE OF CAPITAL

Common Stock (\$25 par)
Preferred Stock (\$100 par)

Total Indicated Market Value of Capital

EARNINGS AVAILABLE FOR CAPITAL

Earnings available for common stock
Dividends declared on preferred stock

Net income for the year ended December 31, as reported

\$ 1,146,101
227,934

\$ 1,374,035

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

5.30%

Dividends Declared on Common Stock

\$ 1,410,825

Exhibit 254

16281

AMERICAN TOBACCO COMPANY

	Outstanding December 31	Price Range for Year			Value	Outstanding December 31	Price Range for Year			Value
		High	Low	Average			High	Low	Average	
-----1 9 3 7-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (\$25 par)	1,598,496 shs.	99	57	75.00	\$124,682,688	1,584,336 shs.	88 1/4	58	75.13	\$118,982,492
Common Stock B (\$25 par)	2,976,848 shs.	99 7/8	58 3/4	79.31	236,070,022	2,971,841 shs.	91 5/8	58 3/4	78.19	223,452,728
6% Cum. Pref. (\$100 par)	526,997 shs.	150 1/2	128 1/4	139.36	73,452,842	526,997 shs.	152	130	141.00	74,306,877
Serial Debentures:										
(c) 3 1/4% due Feb. 1, 1940	\$ 1,792,000			100.00	1,792,000	(a) \$18,532,000			100.00	18,532,000
(c) 3 1/2% due 1941 to 1948	16,740,000			100.00	16,740,000					
(b) 6% Bonds due Oct. 1, 1944	126,650	121	112	116.80	147,547 (a)	124,680	121 1/2	117 1/2	119.50	148,987
4% Bonds due Aug. 1, 1951	831,250	113	104	108.80	901,906	831,250	112	106	109.00	906,083
(b) Notes Payable to Bank due Feb. 1, 1939	23,436,000			100.00	23,436,000	28,739,000			100.00	28,739,000
Total Indicated Market Value of Capital					<u>\$477,223,008</u>					<u>\$461,247,814</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
(d) Earnings available for Common Stock					\$ 23,036,511					\$ 22,273,661
Dividends declared on Preferred Stock					<u>3,162,982</u>					<u>3,161,982</u>
Net Income for years ended December 31, as reported					26,197,493					25,435,643
Add: Interest, Discount, etc.					<u>876,433</u>					<u>1,037,476</u>
Total Earnings Available for Capital					<u>\$ 27,073,926</u>					<u>\$ 26,473,119</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
					<u>5.67%</u>					<u>5.75%</u>
(d) Dividends Declared on Common Stock					\$ 22,234,186					\$ 22,632,832

See Notes on following page.

Exhibit 254

16282

Section III
Page 26AMERICAN TOBACCO COMPANY

	Outstanding December 31	Price Range for Year			Value	Outstanding December 31	Price Range for Year			Value
		High	Low	Average			High	Low	Average	
		-----1 9 3 9-----					-----1 9 4 0-----			
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (\$25 par)	1,576,250 shs.	87 1/2	73	80.25	\$126,734,812	1,560,870 shs.	89 1/2	66 1/2	78.00	\$121,747,860
Common Stock B (\$25 par)	2,967,822 shs.	89 3/4	75 1/4	82.50	244,845,315	2,967,822 shs.	91 3/4	68 3/4	80.25	238,167,716
6% Cum. Pref. (\$100 par)	526,997 shs.	153 1/4	132	142.63	75,165,582	526,997 shs.	153 1/2	136	144.75	76,282,816
(c) Serial Debentures 2.48% due 1941-1948	\$19,532,000			100.00	19,532,000	\$16,740,000			100.00	16,740,000
8% Bonds due Oct. 1, 1944	115,650	121	116	118.50	137,045	102,650	121	117	119.00	122,154
4% Bonds due Aug. 1, 1951	831,250	116	107	111.50	926,844	531,250	116 1/2	108 1/2	112.50	935,156
(c) 2% Notes Payable to Bank, due 1941-45	42,000,000			100.00	42,000,000	42,850,000			100.00	42,850,000
Total Indicated Market Value of Capital					<u>\$408,341,528</u>					<u>\$426,845,702</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
(d) Earnings available for Common Stock					\$ 23,265,982					\$ 23,149,801
Dividends declared on Preferred Stock					<u>3,161,982</u>					<u>3,161,982</u>
Net Income for years ended December 31, as reported					26,427,934					28,311,783
Add: Interest, Discount, etc.					<u>1,104,639</u>					<u>1,328,031</u>
Total Earnings available for Capital					<u>\$ 27,532,673</u>					<u>\$ 29,639,814</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
					<u>5.92%</u>					<u>5.97%</u>
(d) Dividends Declared on Common Stock					\$ 22,752,242					\$ 22,712,411

Notes: (a) Interest rates on Serial Debentures reduced from 3 1/4% and 3 1/2% to 2.48% during 1938.

(b) Quotations from Moody's Industrial Manuals.

(c) Prices estimated.

(d) Common Stock and Common Stock B have equal rights, share-for-share, in matter of dividends and distribution of assets.

Exhibit 254

AMERICAN TOBACCO COMPANY

	Outstanding December 31	Price Range for Year			Value
		High	Low	Average	
-----1 9 4 1-----					
<u>INDICATED MARKET VALUE OF CAPITAL</u>					
Common Stock (\$25 par)	1,560,870 shs.	73 1/2	43 7/8	58.69	\$ 91,608,634
Common Stock B (\$25 par)	2,967,825 shs.	74 1/2	43 7/8	59.19	176,665,562
6% Cum. Preferred Stock (\$100 par)	526,997 shs.	159	143	151.00	79,576,547
(a) Serial Debentures 2.45% due 1942-48	\$14,891,000			100.00	14,891,000
6% Bonds due Oct. 1, 1944	95,650	123	112	117.50	112,389
4% Bonds due Aug. 1, 1951	831,250	123	113	118.00	980,875
(a) 2% Notes Payable to Banks, due 1942-1945	85,350,000			100.00	85,350,000
Total Indicated Market Value of Capital					<u>\$448,185,007</u>

EARNINGS AVAILABLE FOR CAPITAL

(b) Earnings available for Common Stock	\$ 20,721,878
Dividends declared on Preferred Stock	<u>3,161,982</u>
Net Income for year ended December 31, as reported	23,883,860
Add: Interest, Discount, etc.	<u>1,363,097</u>
Total Earnings Available for Capital	<u>\$ 25,246,957</u>

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

(b) Dividends Declared on Common Stock	<u>\$ 20,379,123</u>
--	----------------------

Note: (a) Price estimated.

(b) Common Stock and Common Stock B have equal rights, share-for-share, in matter of dividends and distribution of assets.

16284

Exhibit 254

ARCHER-DANIELS-MIDLAND COMPANY

	Outstanding June 30	Price Range for Year			Value	Outstanding June 30	Price Range for Year			Value
		High	Low	Average			High	Low	Average	
-----1 9 3 7-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (no par)	548,296 shs.	48	22	34.00	\$18,642,084	548,416 shs.	31 1/2	20	28.75	\$14,044,462
Preferred Stock - 7% Cumulative (\$100 par)	28,686 shs.	121 1/4	116 3/4	119.00	3,413,634	28,686 shs.	122 1/8	116	119.08	3,415,385
Total Indicated Market Value of Capital					\$22,055,718					\$17,459,847
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Earnings available for Common Stock					\$2,758,830					\$ 836,936
Dividends declared on Preferred Stock					210,466					200,802
Net Income for years ended June 30, as reported					\$2,547,894					\$ 637,752
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
Dividends Declared on Common Stock					\$1,818,017					\$ 257,288
-----1 9 3 8-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (no par)	544,916 shs.	37	21	29.00	\$15,802,364	544,916 shs.	35 1/2	23	29.25	\$15,938,793
Preferred Stock - 7% Cumulative (\$100 par)	27,800 shs.	121 1/4	118	118.13	3,249,439					
Total Indicated Market Value of Capital					\$19,051,803					\$15,938,793
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Earnings available for Common Stock					\$ 1,642,229					\$ 2,950,755
Dividends declared on Preferred Stock					196,883					96,250
Net Income for years ended June 30, as reported					\$ 1,445,346					\$ 3,047,025
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
Dividends Declared on Common Stock					\$ 818,291					\$ 708,391

Notes: (a) High is to October 27, 1939. Low is retirement price at which stock was called November 1, 1939.

Exhibit 254

ARCHER-DANIELS-MIDLAND COMPANY

Outstanding June 30	Price Range for Year			Value
	High	Low	Average	
-----1 9 4 1-----				
544,916 shs.	33 7/8	26	29.94	\$16,314,785.

INDICATED MARKET VALUE OF CAPITAL

Common Stock (no par):

EARNINGS AVAILABLE FOR CAPITAL

Net Income for year ended June 30, as reported

\$ 3,103,167

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock

19.02%

\$ 844,620

Exhibit 254

16286

Section III
Page 32

THE ATLANTIC REFINING CO.

	Outstanding December 31	Price Range for Year			Value	Outstanding December 31	Price Range for Year			Value
		High	Low	Average			High	Low	Average	
-----1 9 3 7-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (\$25 par)	2,663,999 shs.	37	18	27.50	\$73,259,973	2,663,999 shs.	27 3/8	17 3/4	22.56	\$59,423,017
Preferred Stock (\$100 Par) Conv. 4% Series A	148,000 shs.	116 1/2	101 3/8	108.94	16,123,120	148,000 shs.	109 1/4	101 7/8	105.56	15,822,680
(a) Purchase Obligations (not due within one year)	\$ 508,858			100.00	508,858	\$ 408,640			100.00	408,640
15 Year 3% Debs. due Sept. 1, 1953						25,000,000	104 3/4	102 1/4	103.50	25,875,000
Total Indicated Market Value					<u>\$89,891,951</u>					<u>\$101,527,746</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Earnings Available for Common Stock					\$9,343,045					\$3,718,659
Dividends Declared on Preferred Stock					592,000					592,000
Net Income for years ended December 31, as reported (after deducting minority interest)					9,935,045					4,310,659
Add: Interest and Discount on Long Term Debt					205,379					228,566
Total Earnings Available for Capital					<u>\$10,140,424</u>					<u>\$4,539,225</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
Dividends Declared on Common Stock					<u>11.28%</u>					<u>4.48%</u>
					<u>\$2,663,999</u>					<u>\$2,663,999</u>
-----1 9 3 9-----										
<u>INDICATED MARKET VALUE OF CAPITAL</u>										
Common Stock (\$25 par)	2,663,999 shs.	24 3/4	18 1/8	21.44	\$57,116,139	2,696,642 shs.	27 1/8	18 1/4	22.69	\$61,186,806
Preferred Stock (\$100 par) 4% Conv. Series A	148,000 shs.	110 1/2	104 1/4	107.38	15,892,240	148,000 shs.	111	102	106.50	15,762,000
15 Year 3% Debs. due Sept. 1, 1953	\$25,000,000	106 1/4	98	102.13	25,532,500	\$25,090,000	107 1/2	102 1/2	105.00	26,250,000
(a) Purchase Obligations (not due within one year)	240,840			100.00	240,840	124,840			100.00	124,840
Total Indicated Market Value					<u>\$98,790,728</u>					<u>\$103,323,655</u>
<u>EARNINGS AVAILABLE FOR CAPITAL</u>										
Earnings Available for Common Stock					\$4,431,282					\$5,625,453
Dividends Declared on Preferred Stock					592,000					592,000
Net Income for the years ended December 31, as reported (after deducting minority interest)					5,023,282					6,217,453
Add: Interest and Discount on Long Term Debt					796,547					796,776
Total Earnings Available for Capital					<u>\$5,819,829</u>					<u>\$7,014,229</u>
<u>INVESTORS' APPRAISAL OF RISKS OF CAPITAL</u>										
Dividends Declared on Common Stock					<u>5.89%</u>					<u>5.79%</u>
					<u>\$2,663,999</u>					<u>\$2,663,999</u>

Note: (a) Prices estimated.

Exhibit 254

ATLANTIC REFINING COMPANY

	Outstanding December 31	Price Range for Year			Value
		High	Low	Average	
-----1 9 4 1-----					
<u>INDICATED MARKET VALUE OF CAPITAL</u>					
Common Stock (\$25 par)	2,663,998 shs.	28 1/8	19 1/2	23.81	\$ 63,429,792
Cum. Preferred Stock 4% Conv. Series A (\$100 par)	148,000 shs.	111 1/8	107	109.06	16,340,880
15 Year 3% Deb. due Sept. 1, 1953	\$25,000,000.	106 1/2	103	104.75	26,187,500
(a) Purchase obligations (not due within one year)	\$ 24,849			100.00	24,849
Total Indicated Market Value of Capital					<u>\$105,783,021</u>

EARNINGS AVAILABLE FOR CAPITAL

Earnings available for Common Stock	\$ 13,754,229
Dividends declared on Preferred Stock	592,000
Net Income for year ended December 31, as reported	14,346,229
Add: Interest and discount on Long Term Debt	796,655
Total Earnings Available for Capital	<u>\$ 15,142,884</u>

INVESTORS' APPRAISAL OF RISKS OF CAPITAL

Dividends Declared on Common Stock	<u>\$ 5,327,996</u>
------------------------------------	---------------------

Note: (a) Price estimated.